

JULY, 1956

*Credit and*

# FINANCIAL MANAGEMENT

Quit Taking Lessons But  
He Heads Piano Company's  
Finance Office: Profile of  
N.A.C.M.'s Irwin Stumborg

Stronger Fourth Quarter  
After Downturn: A Panel  
Previews a Rosy Future

Formularizing Record of  
Payment Speeds Service

Antidote for Regulation:  
Codified Business Laws

VOLUME 58 NUMBER 7



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## In the News

LORNE D. DUNCAN was made an honorary member of the Credit Managers Association of Southern California. Mr. Duncan, NACM past president, since retirement as general credit manager of National Distillers Corporation has headed a business consultant office in Santa Barbara, California.

ARTHUR SUSSWEIN, CPA, a partner in Benson Susswein and Co., New York City, has been reelected national treasurer of Phi Epsilon Pi Fraternity.

ROYAL E. WELLS, assistant cashier, Northwestern National Bank, Minneapolis, is vice-president of the Twin-Cities Chapter of the National Office Management Association.

ROBERT UNDERWOOD, credit manager, Daystrom Furniture Company, Olean, N. Y., has been promoted to major in the Air Force Reserves.

L. F. BOLLINGER, manager, J. J. Meier Company, Omaha, has been elected president of the Field Club. He is a member of The Omaha Association of Credit Men.

DR. LEE A. DUBRIDGE, president of Caltech, is the new chairman of the board of trustees of the independent Air Pollution Foundation of Los Angeles.

WALTER H. WHEELER, JR., president of Pitney-Bowes, Inc., has been re-elected a director of National Industrial Conference Board.

MISS MERLIN GRACE GARCIA, an assistant in the credit department of the Gulf Refining Company, New Orleans, was chosen Miss New Orleans and Miss Louisiana, in a recent beauty contest.

ROBERT A. CULVER, president, Tennessee Valley Bank, Knoxville, has been elected to a second term as head of the Consumer Bankers Association.

JOHN GLENDENING, vice president and secretary, Home Insurance Company, New York City, has been elected president of the Eastern Underwriters Association, and Arthur L. Polley, vice president of Hartford Fire Insurance Company, Hartford, is senior vice president of the association.

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## businessmen at work



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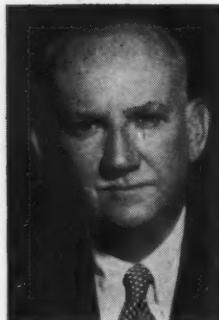


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## EDITORIAL

*Henry H. Heimann*  
Executive Vice-President

### *Tax Anesthesia*

DESPITE the fact that the American people are paying the heaviest tax in the history of the nation, some citizens seem unaware of the exact amount of their tax burden. This may be due to the fact that in recent years tax collections have been made in what may be described as the "painless method."

A taxpayer recently complained about the amount of his weekly wage, which he thought a bit under the market and less than he deserved. Knowing the type of work he did, it appeared his complaint may have been justified. He volunteered the information as to his hourly rate of pay and said he worked an average of 40 hours a week. A quick calculation caused me to challenge the statement he made as to the amount of his wage, which he gave as approximately \$75.00 a week. On the hourly rate basis he claimed, it should have totaled \$90.00 a week. "Oh," he exclaimed, "You are figuring my wages before they make the deductions in the front office."

To this taxpayer—and many wage-earners or salaried employees figure the same way—wages are what is left after taxes are withheld. Because the tax is withheld, many never think in terms of the actual rate of pay they receive or the tax withheld, but only in terms of their take-home pay. In time this causes them to be less conscious of the tax reduction. They soon develop an attitude that it isn't theirs anyway.

It is not politically possible in this land of ours, with the heavy government expenditures we make, to collect taxes on a weekly basis or to eliminate the withholding method of tax payment. However, if all taxpayers each Monday morning would have to go to the bank and deposit to the credit of the government the amount of their tax for their past week's work, you would soon find less acquiescence in the heavy tax load and much more of a tax protest. The gimmicks of "painless tax collections systems" do much to bring in the revenue to the government without effort, but it should not be forgotten that these systems actually make many people less tax conscious. That is why withholding taxes on dividends, as recently proposed, should be resisted. We want everyone to be tax conscious.

No one wants to condone a tax dodger, but everyone should want a tax system that would definitely impress upon the taxpayer the actual amount of money his government is demanding.

Withholding taxes is a good collection system for the government; in addition it prevents much tax dodging. However, it also develops unawareness of tax cost. This is not desirable or in the nation's welfare.

## THE JULY COVER

An original sketch of Irwin Stumborg, the new president of the National Association of Credit Men. A word profile of Mr. Stumborg, assistant treasurer and head of the finance department of The Baldwin Piano Company, Cincinnati, begins on page 14. Other pictures starting on page 21, from the 60th Annual Credit Congress.

## EDITOR'S MAIL

### Reprint in "Taxation"

"We should like to reprint a part of your survey of credit-manager thinking on how to handle reserves for taxes on the balance-sheet, in your March and April issues."

William S. Papworth  
Editor, The Journal of Taxation, New York, N. Y.

### Many Improvements

"I have noted with interest the many articles appearing in *Financial Management* and congratulate you upon the many improvements which have made the magazine of greater value to all readers."

John T. Brown, Jr.  
Vice President-Treasurer, Hajoca Corporation, Philadelphia, Pa.

### Reads It, Likes It

"Enjoy reading CFM very much."  
O. MATTESON  
Credit Manager, Scully-Jones and Company, Chicago

### A "Lot of Meat"

"Your symposium on Reserve for Taxes in the April and March issues was excellent. I have received several letters from other parts of the country and many local members have mentioned it. There is no doubt that your magazine has a lot of 'meat' in it."

JOE VALLERO  
Credit and Office Manager, National Auto Supply Co., East St. Louis, Ill.

### Informative

"Your magazine is interesting and informative."

O. G. MACK  
Sales-Maintenance, Leipsic, Ohio

# FINANCIAL MANAGEMENT

General Manager, Edwin B. Moran  
Official Publication of The National Association of Credit Men

VOLUME 58

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EDITOR Ernest A. Rovelstad

ASSOCIATE EDITOR Lillian Bermont

CONTRIBUTING EDITOR  
Carl B. Everberg, Atty.

ADVERTISING & BUSINESS  
MANAGER Edwin B. Moran

### ADVERTISING REPRESENTATIVES

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# Washington

¶ THE BILL sponsored by the National Association of Credit Men, to provide a more equitable basis for compensation for bankruptcy trustees, has been signed by the President as Public Law 543.

The new fees of trustees are as follows:

Ten per cent on the first \$500 or less of assets handled, six per cent on the next \$1,000, three per cent on the next \$8,500, two per cent on the next \$15,000, one per cent on all above \$25,000.

The new law also provides for an increase in the discretionary allowance from the \$100 previously provided to the sum of \$150. In other words, if a trustee now nets less than \$150 in fees in a given case, the Court can, at its own discretion, add to the amount he got for fees to bring the total return up to \$150 for the particular case. The schedule of all fees is roughly 50% over the rates which existed up until May 28th.

The new law became effective when it was signed. There is no retroactive clause, and so proceedings initiated prior to May 28th apparently will not be affected by the new schedule of fees.

The bill had been endorsed by the Judicial Conference of the United States, the Administrative Office of the United States Courts, and the National Bankruptcy Conference.

¶ THE MEASURE providing for increased salaries for referees was signed as Public Law 518. This also was largely the result of much effort on the part of local associations of NACM and their members.

¶ AS PRICES received by farmers for their products were showing an improvement of 3 per cent, the new \$1.2 billion soil bank was being placed in operation by the Department of Agriculture. Secretary Ezra Taft Benson announced that "generous" payments would be made at once to farmers who plow under crops that are not too far advanced, to hold within the specified Federal allotments in cotton, wheat, corn, rice, peanuts and tobacco. The new law permits this action but the Congress turned down Mr. Eisenhower's request to be empowered to make advance payments for next year's withdrawals.

Secretary Benson saw in the delay in enactment of the law "probably some justification" for plowing under, which he had opposed at first. He called the 1956 program a move "to

meet the time emergency," but said it would not be a fair test of the soil bank project.

The following rates of payment for reducing acreage were announced: 90 cents a bushel for corn, 15 cents a pound for cotton, \$1.20 a bushel for wheat, and \$2.25 a hundred pounds for rice. The law allocates \$750 millions for this part of the soil bank program. To be put into effect later is the program for \$450 millions to be payable under a "conservation reserve" plan for converting other lands to soil-preserving as a long-term program.

In signing the measure the President voiced criticism of the delay by Congress (he had vetoed an earlier bill) and of several of the provisions of the rewritten measure, but he concluded that "its advantages outweigh its harmful provisions." At least it does not restore rigid price supports at 90 per cent on the five basic crops.

The President scored the provisions requiring disposal of five million bales of the Government-held surplus cotton on the world market at a price up to 25 or 26 cents a pound (the Government paid 32 cents, which is also below the world trade price). He also objected to the import restrictions on long-staple cotton, to the providing of authority for the President to negotiate agreements limiting imports of farm commodities, to the freezing of acreage allotments on rice and cotton for 1957 and 1958 to this year's level.

¶ EXPECTED ACTION by the Federal Reserve to prevent further tightening of credit conditions came with the addition of funds to the commercial banking system by open market purchases of Government securities by Federal. Thus within a week Federal's holdings of Government securities were increased by \$198 millions (\$182 millions bought outright, \$16 millions through repurchase agreements with dealers).

Thus the Federal Reserve pumped \$198 millions into the banks to cushion their reserves against mid-June's heavy requests for loans to meet income tax deadlines. A similar program was carried out March 28th for the same purpose, to pay March 15 taxes.

The recent increase of interest rates had met some opposition, reportedly even within the Administration's official family. However, Henry H. Heimann in his *Business Review* said a more logical criticism would have been that the move had not been made earlier.

**A**MERICANS are living in a period of great possibilities for doing good throughout the world, but because of mistakes on the diplomatic front we have not won the confidence of peoples despite the aid we have given them, says Representative Walter H. Judd.

An address by the Congressman from Minnesota, recognized authority on the Orient who recently returned from extended study in those countries, highlighted the second plenary session of the 60th Annual Credit Congress, in Cincinnati. His topic: "Where Do We Stand Now in World Relations?"

While the opportunities are wide open to help the economies of foreign

dustrial arsenal in the entire world."

Of the diplomatic maneuvers in Europe after the war, Mr. Judd said, "France would not let Germany come back on the team unless Britain did so. Until year before last Britain would not go in. Her interest was in maintaining the balance of power in Europe." Finally she entered into lending agreements.

#### **Policy Changed in East**

"Russia made no headway so long as we stood firm." Witness the air lift to Berlin. "So she turned to Asia."

"But in China we adopted an exactly opposite policy. President Truman favored conciliation in Asia.

They need Formosa to get Southeast Asia. They face no threat on the outskirts of China except the United States."

"If you lose Formosa," he warned, "your sons will be fighting in the Philippines. Give up Formosa and never again will a nation trust the United States."

"Truce—trade—time—that's what the Russian plan calls for.

"To the Communist, truce is a military word for conquest.

"The Communists do not trade for peace. To them, peace is a bombshell." Since the resumption of relations "we have never had as much trade with Russia as we had before it."

## **Diplomatic Lapses Costing a Loss of Confidence In Other Countries, Judd Tells Credit Leaders**

nations to stability; "it is also a period of dreadful possibilities of disaster," Mr. Judd warned.

"There is only one real threat to our progress—the threat of Communism," the credit executives were told.

"We cannot do anything about Russia's purpose or will. The only place we may have influence is in reducing Russia's capacity to achieve that purpose—to conquer the world. At an alarming rate the Communists are succeeding in their efforts to rule all civilization."

#### **Vacillation Breeds Suspicion**

So long as we vacillate in our policies toward foreign nations, just that long will they regard us and our intentions with suspicion, whatever the amount of material aid we give them, Mr. Judd pointed out. To the argument that a firm hand might precipitate conflict, his answer was:

"Never yet has firmness led to war."

Then why has Russia not captured Europe by military conquest? "The Kremlin could have taken Europe any time from the date when we withdrew and reduced our armed forces on the Continent. But the Kremlin does not want to destroy Europe. Russia wants to keep intact the second finest in-

That was the first phase of a changed policy. We said that China must take Russia into a coalition government. We encouraged civil war in Greece. Mr. Truman evidently did not believe in the Truman Doctrine.

"Russia got China. That made the conquest of Korea possible. Our stand on Formosa created a stalemate. So the Russians changed their tactics.

"The first trick was smiles. Well, smiles never cost anything.

"The next trick, under truce, was the exchange of prisoners. They handed us a few prisoners and gave a little, to get a lot back through our gratefulness.

"The third trick was commercial trade. The fourth was to proclaim that Russia is a peaceful nation."

#### **Isolation of Countries**

The Russian plan, he said, calls for isolation of countries, one by one. "They want the industries of Japan and the resources of Southeast Asia.

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*The great thing in this world is not so much where we stand, as in what direction we are moving.*

—Oliver Wendell Holmes

---

"As for Time—during the two years we talked at Panmunjom, Russia got the H-bomb."

#### **"Losing in the Intangibles"**

Mr. Judd declared, "We face the same enemy today. Russia has shifted attention to the Middle East. Here we are in danger of losing the ballgame. We are losing in the intangibles." He added that "Britain cannot remain a world power without Near East oil."

"Many countries," he said, "are much better off because of U. S. Aid. We gave them blood transfusions. But these are only temporary help, not a cure. Peoples need the capacity to make their own blood."

"We have the tools because we have a different set of ideas. What these countries need is our secret, and that secret is an economic system with incentive for all," based upon religious principles.

"So many of the Eastern countries are preoccupied with native feuds. Don't get mad at Nehru of India and the others. They are trying to keep their countries free. The tragedy is that local feuds may fly out all over."

And why haven't we won the confidence of the peoples of these nations? "They're afraid we'll make a deal."

# Near and Far Futures Cheery to Economists

**H**OW'S business generally today? What is the near-future outlook? What of the long pull? Three economists—two on university faculties, the third now president of a Federal Reserve Bank—were asked these questions by the moderator, William L. Holmes, Southern Division vice president, NACM, in a panel discussion at the Credit Congress in Cincinnati. Each answers one of the queries, but that's only part of the speakers' story, told in part in the following pages. We start with the banker.  
—ED.

## *There Always Will Be Cycles But Bumps Can Be Softened*



W. D. FULTON  
*President*  
Federal Reserve Bank  
Cleveland, Ohio

**M**ONEY isn't everything but it's way ahead of whatever is in second place."

The purpose of business is to use money. Bankers create money through their lending and investment activities. Therefore, the banks of the United States and the Federal Reserve System as the central bank and monetary authority have joint responsibilities with respect to the total of the money supply and its use by business and individuals.

The "Money Supply":

Demand Deposits	<b>\$105.6 billion</b>
Time Deposits	<b>78.7</b>
Currency Outside Banks	<b>27.2</b>
<hr/>	
<b>\$211.5 February '56</b>	

The financial system in the United States is distinctly different from anywhere else in the world—14,000 banks largely owned locally, and a central bank which is *not* Government owned and whose direction is influenced in the general welfare of the nation by the directorates of the 12 regional Federal Reserve Banks and their 24 branches.

In general terms, the goal of credit policy, as part of a broad economic policy, may be defined as fostering an economic environment conducive to orderly growth. To achieve this end, it is necessary to

(1) *maintain an economy characterized by generally strong business activity, high level of employment, continuing large private investment and a rising trend in the standard of living; and*

(2) *achieve reasonable stability of the purchasing power of the currency.*

Here is a combination of goals that are to some extent antagonistic and difficult in their attainment.

Obviously, some fluctuations in production, employment, and the general level of commodity prices are inevitable and probably an essential element of our market economy. Credit policy cannot profess to smooth out all such movements but it can help to reduce their intensity. The realistic and feasible goal of credit policy is to contribute toward orderly and sustainable economic progress by helping to (1) make credit available to finance increases in output based on sound appraisal of the ultimate market; (2) prevent rapid expansion of credit that would increase inflationary pressures and help generate "boom" conditions; and (3) forestall a spiral of credit contraction that would intensify a downward adjustment in business activity.

Now we are in the midst of one of the most exciting experiments in human history—the effort to determine whether we can indeed control our economic destiny, can regulate our economic weather.

Federal Reserve monetary and credit policies are designed to influence the extension of credit in such ways that the use of credit will be a constructive and stabilizing factor, rather than the reverse, in a dynamic and growing economy operating at a high level of activity. So much of the nation's business is transacted through the use of credit that any form of action that is taken to expand or contract the outstanding volume of credit is shortly reflected in those plans of the business community that depend for consummation on the use of credit.

### *Commercial Banks Must Decide*

Federal Reserve policy actions for supplying or withdrawing reserves only set the broad limits within which credit can expand or contract. It is the commercial banks of the country who must decide how the available supply of credit shall be allotted among its claimants, and that being the case, they are clearly the instruments through which Federal Reserve credit policy is ultimately manifested.

The choice of how an individual bank will employ its credit resources rests with that bank, in keeping with the democratic and decentralized character of the Federal Reserve System, which places ultimate responsibility



**WHERE DO WE GO FROM HERE?** Answers were offered by panelists at the Monday afternoon plenary session at the Credit Congress in Cincinnati. (l to r) Dr. Thomas J. Hailestones, Xavier University, Cincinnati; Dr. Wilbur D. Fulton, president, Federal Reserve Bank of Cleveland; and Dr. Robert Bartels, Ohio State University, Columbus, with the moderator William L. Holmes as NACM Southern Division vice president. Mr. Holmes is assistant treasurer, Schlumberger Well Surveying Corp., Houston.

for the effectuation of its policies at its remotest parts and not at the center. And so it is that the member banks of the Federal Reserve System, through the allocation of their credit resources, become the final arbiters of how credit shall be used for the constructive benefit of the nation.

No one can deny that 1955 was a year of rapidly increasing business activity. Plant capacity was utilized fully in most segments of the economy and the hours of work on an overtime basis. Skilled workers are very scarce. Prices of many metals and commodities have increased and new orders have plants booked for their output well ahead. Bank loans have expanded very substantially in the past year and there continues to be a large and persistent demand for credit by business, consumers, home owners, and municipalities. Plans for spending for capital goods by business are at an all-time high.

#### *Resisting Inflationary Pressures*

In this atmosphere of ebullience the Federal Reserve has acted to diminish the volume of money available to banks for loans and investment purposes and has raised the rediscount rate four times within the year 1955 and once so far in 1956. The policy now being followed is to foster orderly sustainable growth but to resist the pressures of credit inflation which are manifesting themselves in the price structure, without accomplishing the production of more goods.

Central bank policy always must be formulated in circumstances which are highly complex, are never very fully understood at the time, and are historically unique in the sense of never having been exactly duplicated in any previous period of time. It should never be controlled by political consideration or be slanted to benefit any particular group of citizens or segments of industry.

The open market committee must at all times have a positive view of the economy and be ready to change direction promptly. It must anticipate the activities of business and must neither permit the volume of money to get so large as to create inflation nor be so restrictive

as to stifle the normal growth of business in serving a growing population.

The "Fed" will never be a prime candidate for a popularity contest. As Chairman Martin puts it, "We must always lean against the economic winds."

One writer remarked after the recent increase in the discount rate, "Fed" is in the position of the chaperone who has ordered the punch bowl removed just when the party was really warming up.

Let me emphasize at this point that monetary and credit policies are only one instrument in influencing our economic destiny. They are not all powerful in and of themselves though they have a positive impact on business activities. There are many more equally important factors such as:

#### *Government fiscal policies.*

Tax policies—*influencing the amount of money individuals and business have available after tax deductions.*

Congressional spending—*credit policies for social purposes whereby the policies of government lending agencies run contra to F. R. credit policies.*

International happenings—the health of foreign economies.

The most elusive of all influences is the psychology of businessmen and individuals. What are their buying and saving intentions; have they confidence in the economy; will they spend and plan ahead or are they retrenching? Then too there are the unpredictable reactions of the managers of large investment portfolios, the brokers and those who compose the money market, to the actions taken by "The Fed."

#### *Influence of Monetary Measures*

Monetary measures can be a powerful influence in curbing a "boom," but it takes the confidence of individuals and businessmen and their willingness to put plans into operation to reverse a downtrend. I am not one who believes that we have licked the economic cycle. We are going to have ups and downs in business as

*(Concluded on page 11)*

# Research, Education, World Aid in Use of Credit Urged



ROBERT BARTELS, Ph.D.  
*Professor of Business  
Organization*  
Ohio State University  
Columbus

**I**N 1913 another annual NACM convention was held here in Cincinnati. Its program included topics related to betterment of cooperation, elevation of ethics, improvement of credit laws, expansion of the use of credit, and extension of credit education.

The past has led us to the present. Today we have more knowledge and experience in credit granting than in earlier periods. Our facilities have been improved. Cooperation is commonplace. Helpful laws have been passed.

Today prosperity is not only at a peak but also on a high plateau. We have an increasing population and a more rapidly expanding economy. The sky is figuratively the limit of possibilities, provided we have peace.

In a world speedily diminishing in size, our economic prosperity is not only envied but emulated, and for improvement of their standards of living people are turning colonies into countries.

**Where do we go from here? Three courses present themselves: More research in credit, extension of credit education, and assumption of new responsibilities in credit development.**

Notwithstanding the progress made in credit management and the high technical proficiency attained in its use, credit research has not kept pace with the development of research in other functions of business.\*

Literature of 30 years concerning mercantile credit shows little added to what had been written about it earlier. Some aspects are now more clearly interpreted, but little basic research was undertaken. Little change has occurred in the instruments used, the credit analysis, the means of financing credit, or the credit institutions.

Whatever the cause, the time has come when we should have a more complete picture of the uses of credit in business, particularly of mercantile credit.

In this day of a credit economy, when credit manipulations, made with best intentions but with inadequate information, may work injustice to many, should any segment of the credit economy be as poorly described statistically as that of mercantile credit?

Numerous subjects for research suggest themselves, but one will ask who will carry on the work. Depending upon its specific character, I can see that some might be done by the NACM, possibly in its research and educational division, or in connection with the Graduate Schools of Credit and Financial Management. Some might

better be the work of private business analysts and consultants. Other studies could be undertaken by university graduate students, whose number is increasing and whose choice of research topics may sometimes be influenced by research scholarship grants. Still other investigation of well-conceived projects might be undertaken by educational foundations. However and by whomever it is done, credit research can have an important bearing upon progress in credit management in the years ahead.

## ***Education in Credit***

A second direction for progress in credit management is along the line of extended credit education through better informing of the public about the uses of credit in business.

Possibly less is known by the public about mercantile credit than about any other form. When thought of, it is regarded primarily as a function of financing, rather than as the constructive, promotional function of marketing which it is tending increasingly to become. When credit is publicly criticized, no distinction is usually made concerning the various types. Consequently, a job of public relations needs to be done if the contributions of this group are to be made known, and if high caliber men and women are to be attracted to this field of employment.

Two channels for such educational effort would be: (1) in conjunction with public school systems through Business-Education Day programs, whereby teachers have opportunity to visit and learn about an industry, trade, or service group; (2) through closer relations with university teachers of credit and writers, whereby they may be provided contact with local activities and with NACM undertakings.

## ***Worldwide Development of Credit***

The third line of advancement from where we are is, in the light of our national role in world affairs, toward assumption of responsibilities for wider use of credit.

Through our government we are already committed to programs of assistance to underdeveloped countries, many of which have no systematic use of domestic credit and whose concepts of credit are drawn mainly from foreign trade. Aid is being given them not only in loans and grants but also in technical assistance to develop agriculture, industry, education, and marketing. Assistance in the use of credit, in the development of proper concepts, institutions and practices, should be an integral part of programs for general economic development of such countries, and the members of this Association are the logical and best qualified individuals in the country to take the initiative for bringing this about.\*\*

Where we go from here will differ from destinations determined in the past. There are always problems of fitting activities to changing economic conditions. On the other hand, some problems of the past have been solved. Others are springing out of the conditions of these modern times. The course of progress which they suggest lies along lines of more credit research, extension of credit education, and assumption of new responsibilities in developing the use of credit.

\*A comprehensive Credit Management Handbook is now in preparation by the NACM's Credit Research Foundation, with more than 60 credit authorities collaborating.

\*\*Two representatives of NACM in the past year participated on the U.S. official teams at overseas trade festivals.—Ed.

# Sees Promising, Prosperous Long-Range Future Economy



THOMAS J. HAILSTONES, Ph.D.  
Chairman,  
Department of Economics and Business  
Xavier University  
Cincinnati, Ohio

OUR gross national product, that is, the total goods and services produced by our nation's economy, is running at a record level of \$400 billion annually. Total employment is nearly 65 million and we have about 2.8 million unemployed. The average work week is 40.3 hours, and the average wage in manufacturing industries is at a peak of \$78.50 a week. We have a total population of 165 million, and the per capita disposal income, highest in the world, is \$1657 per annum. In short, we are enjoying the highest level of prosperity in the history of America.

We must continually increase our output, however, if we are going to prevent unemployment from rising. The reason is twofold: (1) We add to our labor force more than one-half million members per year. This means that we must produce more if we are going to have jobs for these new workers; (2) the productivity of the labor force increases about two-and-one-half per cent per year due to technological developments.

Fortunately, several factors including population growth, technological development, and governmental policy are setting the basis for more growth and development in our economy.

## Population Growth

Twenty years ago population experts and economists were predicting that the population of United States would level off about 1970, but our population currently is growing at a greater rate than any time in the past half century.

The demand for goods and services will increase accordingly.

## Technological Developments

With a labor force proportionally smaller, the productivity of each worker will have to increase. Fortunately, technological development can fill this need. Here are some of the principal elements which will bring this about.

There is great interest in the use of atomic energy as a source of electricity for the operation of industrial plants. There is also quite a bit of work being done to harness the rays of the sun and convert them into a practical and economical tool of production.

Although we shall by no means be fully automated, factories will be much more highly mechanized than they are today. Production will be increased through perfection of control instruments; by precision machine tools which can do a more accurate job than the human hand; by the increased supply and decreased cost of energy; and by development of electronic equipment which can

control highly integrated, complex and continuous processes.

Technological development through chemical processing is also important. The age of chemistry is just beginning.

## Government Policies

In addition to the growth of population and the development of our productive processes, we can anticipate that Government policies will continue to play a significant role. It is becoming a more acceptable belief that the Government should use monetary, fiscal and psychological measures to counteract the booms and busts of the economy.

These three indicators—population growth, technological development, and Government policy—point to a favorable expansion in our economy.

It is difficult to agree with some who say we shall see the elimination of the business cycle. However, I do think that the severity of the cycle will be greatly modified. Thus, we can look forward to a promising and prosperous long-run future.

## W. D. FULTON

## FROM PAGE 9

should occur in a free economy. However, the central bank through its influence on the supply and cost of money should be able to suppress some of the ebullience such as is now manifested and keep growth sustainable and also give encouragement to the productive use of money when the economy falters.

The Federal Reserve System does not claim omnipotence in the field of money. Because we must use foresight instead of hindsight, the passage of time will probably show some errors of judgment—but not of purpose or of unwillingness to take the consequences of discharging our responsibilities. Central banking is not a science but more properly might be termed an art. To make monetary and credit policy work for the benefit of all of the people in this great nation we need the cooperation and the understanding of bankers, businessmen, and our elected representatives in the Congress.

## The Short Term Outlook

A downturn in third quarter production and employment of more than seasonal proportions could take place. In that period, the auto industry will likely be in slow motion due to model changeovers and the need to reduce inventories. Production may total only between 1 and 1.3 million units. The steel industry likewise may encounter a setback because of either a strike or a reappraisal of consumer needs and inventories following the posting of expected higher prices. Despite a drop in steel operating rates, shortages of structural, plate, and pipe will persist through the end of the year because of inadequate processing facilities for these items. Construction activity may also slow down because of short supplies of steel and other key materials.

If the foregoing pattern should develop, I would expect a stronger fourth quarter. Stimulus would be provided by sharply higher new car production, rising wages, expanding consumer buying, higher government expenditures both at the national and local levels, and possibly a cut in personal income taxes either in effect, or in immediate prospect.

# Codify Federal Business Laws and Redefine Attitude on Competition, Economist Urges

**R**EDEFINITION of the American attitude on competition and codification of Federal



ASHER ISAACS

business administration, University of Pittsburgh. (True, with an election year on its hands, business can expect manipulations of the economy for votes, to keep business moving, even though measures taken may be only temporarily expedient, unsound from the long range viewpoint, but in any case such measures still would come under the heading of regulation—Ed.)

"If some of the framers of our Constitution were to come back they would not understand hundreds of the newspaper headlines we read from week to week, because this country began on a let-alone policy so far as regulation was concerned," the educator explains.

"It was not let-alone in encouragements in the form of tariffs, patents, and the like—a fact too often overlooked. It is true that a bankruptcy law was passed in 1800, but as for a Federal law regulating business, Congress did not act until 100 years of American development had taken place."

Since 1890, a serious problem has been raised by the number of regulatory laws passed and the manner in which they have been interpreted in the Federal courts, Dr. Isaacs declares. He mentions these acts: the Clayton Act, Federal Trade Commission Act, Robinson-Patman, Miller-Tydings, McGuire, the Celler amendment on mergers—these as only part of the parade. "With a Supreme Court, 11 circuit courts and 84 district courts (each of which has from 1 to 16 judges) dealing with the same laws, there is bound to be conflict and uncertainty."

With three quotations of varied origin the result was summed up by the economist in addressing the Credo

Club of The Credit Association of Western Pennsylvania.

"A Federal trade commissioner said recently, 'If we had the money, we could get a cease-and-desist order against every businessman in the United States engaged in interstate commerce. The businessman has nothing to say. He can only hope that the law of averages will keep him off the wrong end of a complaint.'

"Another commissioner remarked in 1950: 'What a young law student needs most after a diploma and a shingle and a client is a good pair of eyebrows and broad shoulders. Then, when a client asks him how to stay out of trouble with the government, he can raise the first and shrug the second.'

"A businessman observed: 'If I charge more than my competitor, I am called a profiteer. If I charge less,

**A**SHER ISAACS, Ph. D. Harvard, distinguished educator who heads the department of economics, school of business administration, University of Pittsburgh, is a pioneer in the development of college courses treating of small business.

Dr. Isaacs has written a number of books on international trade and principles of economics, and is specialist in business and government in the management program for executives at the "U" of Pittsburgh, where he has been on the faculty since 1926.

I am called a cut-throat competitor. But if I charge the same, I am guilty of collusion."

And what causes for this situation would we give that "returning founding father?" Dr. Isaacs cites several.

"First, it would be necessary to explain that the commerce clause which they inserted in the Constitution means much more than they thought it meant. They had given Congress the power 'to regulate commerce with foreign nations, and among the several states, and with Indian tribes.' But by judicial interpretation over the years, commerce among the several

states came to mean buying and selling or traffic, then the passing of people from state to state, then messages crossing state lines, then the goods themselves, then the working conditions under which the goods are produced.

"A climax seems to have been reached when a poor elevator operator in a Philadelphia loft was held to be engaged in interstate commerce because he operated an elevator in a building filled with materials intended for interstate commerce. So at last commerce, moving vertically, has come under this all-enveloping phrase. In short, we would say to the inquiring founder that the power to regulate has become the power to control, govern, encourage, promote, discourage, and prohibit.

"Secondly, we could say to the founders that the Supreme Court which they spelled in the Constitution with a small 's' and a small 'c' has through circumstances assumed capital spelling and a dominant position in relation to executive and congressional action.

## Competitive Conditions Different

"Thirdly, we would tell him that we are trying to keep competition alive in the face of conditions which differ greatly from those of 1789 and later. In those days, corporations were young, mergers virtually unknown, advertising was in its infancy, brands and trademarks were few in number, population was small, markets were local rather than national, patents and copyrights had just begun and did not look promising. In fact, the patent commissioner of a century ago resigned on the ground that all worthwhile inventions had already been developed. He did not picture what was to come."

## Cites Recent "Merger Wave"

The economist pointed to the "merger wave" of recent years:

"Starting 1948 we had one major merger in mining and manufactures every working day six consecutive years. Were we to include the mergers in other fields and the less important mergers, that figure could easily be doubled and perhaps trebled.

"There are various economic rea-

sons for mergers and similar combinations. From the legal point of view, the horizontal merger (the purchase of competing companies) will always have rough sledding. But the vertical type (one financial interest owning the various steps in production of the final product) and the circular (producing products of many types selling in the same market) have a fairly good chance of proving legal under existing laws."

A fourth point brought out by Dr. Isaacs is that "we need giant laws to deal with the gigantic growth of the country, and more attention is being given to small business than at any time in American history. For many people the survival of small business seems to imply laws against big business. Although the falseness of such a general belief can be illustrated, it has popular appeal.

"Finally, we would remind the founding fathers that politics has taken a strong attitude in the field of business control. It is not difficult to detect waves of pro- and anti-business attitudes. From 1933 to 1952, business was treated rather harshly." The economist notes that "a more favorable treatment followed," but now, in this presidential year, the familiar "big business" charge is again coming to the front as an issue and a slight change in the attitude toward business has been shown.

#### \$10 Billions for Consumer Goods

WITH the sales of passenger automobiles under '55 and fewer new home starts, plus an expected increase of \$5 billions in government expenditures this year, \$10 billions more of "consumer discretionary spending" should be opened to the soft lines and home goods industries, President Judson S. Sayre of Norge Division, Borg-Warner Corporation, told the Central States Group of the Investment Bankers Association.

Decrying the forebodings of some economists that the people will become servants of the machine, Mr. Sayre counters that "the evolution of automatic production machinery has been with us for 25 years and has brought better goods with greater dollar value." However, the "exaggerated threat of automation might produce a dangerous psychological effect which could frighten the day-lights out of people generally and cause a serious sales slump."

"—it's that new Credit Manager of yours!"



## The Credit Manager gets a bouquet

"Bill, I'll only take a minute!" The Sales Manager sounded even more urgent than usual.

"Sure thing, Jack, come in and sit down." The Treasurer took off his glasses and regarded his visitor across the desk. "What's your worry this morning?" he asked.

"Worried? Who says I'm worried? I'm happy! Look—" and the Sales Manager emphasized the word with a forefinger stabbed at the desk top, "—it's that new Credit Manager of yours! Well, he's not so new, any more, but you know what I mean: he's no old timer!"

"Now, Jack, if you're going to hold that against him—" the Treasurer began, but his gentle voice had never been a match for the other's rush of words.

"Hold it *against* him? Bill, I'm not holding anything against that fellow! I came to praise Caesar, not to bury him—or whatever the man said. You know! Bill—" and the Sales Manager's voice took on a note of anguish at having been so misunderstood, "—I think he's done a terrific job! Above and beyond the call of duty, or however the saying goes! Why, Bill—" and his voice dropped the note of anguish to take on a confidential tone, "—do you know how much of our sales increase we owe to him?"

The Treasurer put his glasses back on and literally stared at the other. In his utter amazement, he was incapable of answering the other's rhetorical question. But there was no need. The Sales Manager swept right on.

"Only a few days ago, he came to me and told me we weren't selling Apex Corporation hard enough! Imagine!" The Sales Manager grinned fondly at his own recollection. "Your Credit Manager telling me we're not selling an account hard enough! I nearly threw him out of my office, but darned if he didn't *prove* it to me! And this morning—" the Sales Manager stabbed the desk top again, "—we sold Apex our biggest order!"

"Congratulations!" the Treasurer's tone of voice was mild.

"Thanks!" said the Sales Manager. He got up briskly. "Well, I just wanted you to know the best thing this company has done in years was to make the Credit Manager's job more important and bring in a really good man to fill it. Since he persuaded us to insure our accounts receivable with American Credit Indemnity, we've penetrated areas we hadn't touched before!" The Sales Manager became enthusiastic all over again. "Why, we've been able to project our Sales plans a full year ahead!" he cried. "And—since a few days ago—we've begun selling our established accounts harder than ever! Well—see you later!"

The Treasurer took his glasses off again and smiled. "I'll tell the young man what you've said."

"No need!" the other said from the doorway. "I'm taking him to lunch and telling him myself!" And he was gone as urgently as he had come.

• • •  
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**S**TURDY and stern incomers from other shores have written in bold type many a page of the Americana that is our just pride. As examples we give you the Von Stumborg and Dehas families of another day, apropos a profile of the new president of the National Association of Credit Men, and his and its First Lady. Out of that genesis also can be traced a segment of the philosophy of credit which Irwin Stumborg brings to the leadership of organized credit.

Both grandfathers, immigrants from Germany, experienced firsthand the insatiable demands of the military in the Civil War period. Grandfather Stumborg (the "Von" had been discarded at the dock) was a harness maker. What, then, more logical than that he was set to work making collars for cavalry mounts of the Union Army. Grandfather Dehas was a wagon maker. He was commissioned to help build vehicles for the transportation corps of the armies of the



## HE MAKES VISION WORK

*NACM President's Art of Winning Friends Is Matched by First Lady*

North. Truly a better direction of Army personnel management than befell two of this reporter's bunkmates in a war of more recent vintage, when one of the best muleskinners of Dixie became a cablesplicer and one of Times Square's eminent fillers of inside straights was made iodine-dauber at battalion medical headquarters.

### *From Ellis Island to Missouri*

Both grandfathers had trekked direct from Ellis Island to St. Louis, where Irwin's father grew up to become branch manager of Polar Ice and Fuel Company. Following many years in the company's service he retired to manage his mother's realty and other properties.

*The boy Irwin, besides his carpentering with his father and other extra-curricular duties in free hours from elementary and high school, studied piano for 10 years, at the insistence of his father. When the latter passed on, so did the lessons, and he tells us he has not played a note since.*

In adult years, however, in the succession of step-ups from the accounting staff of The Baldwin Piano Company to assistant treasurer and

head of the finance department in charge of the retail and wholesale departments, his proficiency with the piano is self-evident—but not at the keyboard.

### *On to Law School*

From high school where he completed many a double play as first baseman of Central's nine, Irv went on to law school and was admitted to the Missouri Bar in 1923, at the sprightly age of 21. Thence to business, with insurance the first stop—to learn selling and accounting. Six months convinced him that insurance was not to be his life work, and he entered the accounting department of Swift & Co., where two years in bookkeeping and accounting prepared the way to greater responsibilities.

More than that, Mr. Stumborg observes in retrospect, "The experience received there gave me a start in meeting people, and after many years with Baldwin we emphasize the principle that in all business we are dealing with people. The more we know about these people, and the better understanding we have of their problems, the more

success we shall have in doing our job. In our company we urge all our dealers and sales people to learn something about the customer before closing the sale." A pronounced "C" for credit operation, by the way: "C" for "Contact."

It wasn't long after joining Baldwin in charge of the accounting department that he put into practice in another field the credo of "making friends and influencing people." In the credit department he met the charming Leona Dehas—and persuaded her to the exchange of "I do's" on November 11, 1925.

Five years later, when Baldwin consolidated all administrative offices in Cincinnati and he was placed in charge of all wholesale accounting, the Stumborgs retained their St. Louis home for investment and in Cincinnati began 18 years of life in one apartment before purchasing a house in suburban Kenwood. There the carpentry skills of his youth find outlet with or without a "Do It Yourself" kit, and putting in the garden brings its own reward. Athletic interests take him bowling with colleagues in credit and the team of the Cincinnati

Club, earlier into municipal baseball and the Baldwin Soft Ball League.

Meanwhile, his advancements in the company were proceeding. In 1937 he was made assistant secretary, in charge of wholesale credit. In 1942 he was temporarily transferred in charge of all defense work accounting to coordinate it with that of the U.S. Army Air Force. The new type of accounting presented many problems, solved with the cooperation of the Air Force auditors. How well they were solved is reflected by his election in 1945 as assistant treasurer and finance department executive in charge of retail and wholesale credit of the company.

#### *Organization Comes First*

Always organizationally minded in championing professional status for credit, Mr. Stumborg's association records are long and varied. In National they include, starting in 1949: member, national nominations committee; member of the directorate; chairman, advisory committee, *Credit and Financial Management*; member, national executive committee; chairman, legislative committee; and vice president, Central Division, two terms. He is a member of the Credit Research Foundation.

In the Cincinnati association have been the multiplied offices of director, vice president and president, advisory board member, entertainment chairman, Service Corporation president, and state councillor, all fittingly climaxed with selection as Credit Executive of the Year.

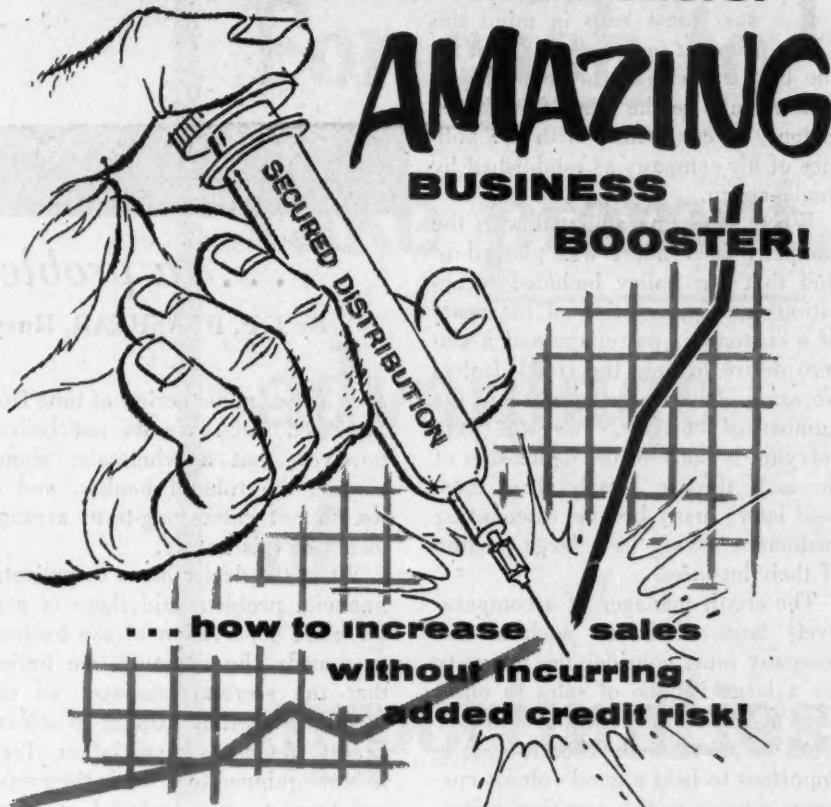
Vision, made real by practicable application to operations, stamps the career of National's new leader. For example: "We are a strong believer in closely knit teamwork of Credit and Sales. It has been my policy, in building the finance department of our company, to work closely with Sales, and we keep Sales fully advised of sound credit procedures."

Of the management team and professional status: "The credit executive should be a part of top management.

"True, too many individuals in credit work do not themselves recognize the full importance of their function. In the Baldwin organization many of our dealers look to me for financial advice to solve some of the problems. We encourage this because we are in a better position to keep

*(Concluded on page 40)*

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THE conscientious credit manager must keep in mind this thought or question: "Is it for the best interests of my company?" This should be the basis for his decisions, in conformity with the policies of his company as established by management.

When I became affiliated with the company in 1934, I was pleased to find that our policy included recognition and appreciation of the years of a customer's patronage and a sincere desire to help the retail dealers we serve. This was evident from the number of customers we still were carrying because of the depression of the early thirties. Nearly all of them paid later; many became discounting customers, giving us a large portion of their business.

The credit manager of a comparatively large wholesaler such as our company must consider the necessity for a large volume of sales to offset fixed overhead and return of a proper profit on investment. Therefore, it is important to help a good volume customer whenever the occasion arises.

We have many cases where there is a routine extension of time granted when temporary conditions prevent payment when due. These cases are simple and easily handled.

There also have been some cases in which we have helped a dealer to increase his stock to a proper level, by accepting notes, so that he can pay

## MANAGEMENT AT WORK

### .... a problem case is solved

By J. P. BRASHEAR, Huey & Philp Company, Dallas, Texas

over a reasonable period of time from increased sales. We do not believe, however, that a wholesaler should assume the role of banker, and so we do not enter long-term arrangements of this nature.

When the dealer has a complicated financial problem and there is need for close supervision of the business to remedy the situation, we believe that the secretary-manager of our credit association (Dallas Wholesale Credit Managers Association, Inc.) is best equipped to provide the proper assistance to our dealer. I recall an instance in which this procedure worked out very well for all concerned.

#### *A Customer Calls for Help*

One of our customers, who owed a substantial amount, advised us that his sales had dropped discouragingly and that he needed help. The prob-

lem was that a competitor had opened nearby and was getting more and more of the available business. Our customer, who had outside employment which he understandably did not want to give up, was employing a manager who was not very aggressive. Furthermore, credit had been extended by the manager with very little or no credit investigation, and collections were not properly followed.

The owner had started the business with the idea that it would grow while he continued his outside employment. Then, when he was ready, he would resign and devote his full time to the store. Now his accounts payable were largely past due, and prospects did not appear very bright.

#### *Turn to Association Secretary*

The merchandise inventory was fairly well balanced, and accounts payable were not hopelessly out of proportion—if the business were operated with proper supervision.

The other large creditor and I decided that the then secretary-manager of our association could best handle the situation for all concerned. He was given complete control of the business by the owner, and an aggressive manager was employed. Then the small creditors, in the majority, were paid to avoid the possibility of suits and because we felt that they probably needed their money. Larger creditors agreed to an extension, with percentage payments to be made when money was available. A credit manager and bookkeeper was employed to obtain proper control. We had an outside audit made, and found that we could get an income tax refund from the previous year. Our secretary-manager obtained a reduction in monthly rental and reduced nonproductive overhead. Sales soon were increased. Additional purchases



PRESIDENT WAS CREDIT MANAGER. J. E. Ziegelmeyer, president of Huey & Philp Co., Dallas, joined the company as retail credit and office manager, became secretary supervising wholesale and retail credits; then vice president and secretary-finance. William H. Philp (right) was salesman for Huey & Philp Hardware Co., went with United Air Lines as district sales manager, returned to Huey & Philp Co., and is vice president in charge of sales. Credit Manager J. P. Brashear is at the left.

PRIOR to becoming associated with Huey & Philp Company, Dallas wholesalers, J. P. Brashear was for 11 years secretary of Alemite Company of North Texas, headquarters in Fort Worth.

He began with Huey & Philp as assistant credit manager in 1934 and was made credit manager the following year.

of stock, when necessary for sales, were handled on a cash basis or short terms.

Buying merchandise as needed was the greatest problem because of the very limited cash available, and creditors did not want to increase their accounts unless they could expect payment in a very few days. This was accomplished, however, by purchases in small quantities and as often as needed. Thus the good stocks carried by the jobbers and quick deliveries avoided loss of sales.

We met with the secretary-manager and owner once a month to watch the progress of the business and to arrange payments on the old indebtedness.

In about a year's time the business was in good condition and returned to the control of the owner, to his benefit and ours.

General credit policy requires a normally fast turnover of accounts receivable, and the credit manager should see that regular terms are respected in order to keep credit on a sound basis. In this exceptional case the supplier went a long way to help a customer regain his footing. The result was a loyal account and increased profit volume for the supplier.

#### Farm Debt Increase

FARMERS will use more borrowed capital in the years ahead to mechanize further, to enlarge acreage and to increase output per man-hour, say economists of Chicago's Federal Reserve Bank.

Despite the total of \$17 billion farm borrowings at present, exclusive of Commodity Credit Corporation loans, the total debt equaling 11 per cent of farm assets' value compares favorably with the 18 per cent of 1940.

The farm real estate debt, which jumped 10 per cent last year, will also go up continuously, the bank economists say.

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# Dollar-Day Rating System Breaks Office Jam, Clears Rush Orders

**H**OW the credit management of a company broke an office bottleneck and established a speedy flow of order clearance in a rush season, all by ditching the physical appraisal and conventional routine of payment record and constructing in its place a "dollar-day rating," is told by R. F. Raisbeck, credit manager of Noma Lites, Inc., of St. Joseph, Mo.

The new system removed a distorted quick-reference picture of each account's status and substituted a rating that showed the customer's average payment per dollar of volume, all worked out in the less active period to permit maximum speed of order servicing in the rush months of a highly seasonal business, dealing chiefly in Christmas decorations.

## Payment Experience Is Key

Credit executives, whatever the industry, rely largely upon their experience with any account to determine present and future policy, an experience wrapped up in what is generally known as the payment record, Mr. Raisbeck explains by way of introduction. This payment record of the manner in which the account has met his obligations in the past is "prob-



R. F. RAISBECK

After six years in the Army Air Force, R. F. Raisbeck began general office work for J. T. Sexton Company, St. Louis, and there decided upon a credit career. Joining Firestone Tire and Rubber Company of Kansas City, Mo., he handled both retailer and dealer accounts.

In 1949 Mr. Raisbeck became credit manager for J. D. Maguire, Inc. He calls the ensuing two years "two of the most satisfying and educative years" of his life, "at the grassroots of credit." In 1951 he joined Rival Manufacturing Company of Kansas City, and two years later began his present duties as credit manager of Noma Lites, Inc., in St. Joseph, Mo.

ably one of the most important considerations in determining what line of credit to extend."

"We have many accounts on our books to whom, based on agency reports and financial statements, we would not extend one nickel of credit," the credit manager notes. "Yet, their 'payment record' with us is good—for some reason they are discounting their bills with us while running 30 to 90 days past due with other suppliers. Therefore, based upon this one factor alone, we are extending a line of credit, and shall continue to do so just as long as that all-important 'payment record' remains satisfactory."

But maintenance of that policy requires that the appraisal of the account's record be accurate.

"For some time we used the physical method; that is, we scanned the ledger card, visually checking due dates against payment dates, and in this manner arrived at a general idea of the manner in which the account has met his obligations. This was a time-consuming task.

## Most Volume in Three Months

"In our business, concerned almost exclusively with Christmas decorations, we have all the problems of a highly seasonal business. About 85 per cent of our entire volume is done within a three-month period. For this reason, speed is all-important in clearing orders through the credit department. It became obvious that the physical method of determining the account's payment record was becoming a bottleneck."

First came a decision to use our slack season time to formalize each accounts payment record—to assign each account a payment record "rating," so that in the rush season a glance at the account's payment record "rating" would give a complete experience appraisal.

"At first," Mr. Raisbeck says, "this seemed to be simply a matter of arriving at an average of the number of days beyond due date the account paid each item. However, we soon found we were not, in fact, getting an accurate appraisal. Take a hypothetical record of an account's activities for a year, as follows:



FIRST BUSINESS of the new NACM president, Irwin Stumborg (center), assistant treasurer and finance department head, The Baldwin Piano Co., Cincinnati, and the new divisional vice presidents after Credit Congress adjournment. (l to r) Lester C. Scott (Southern), assistant secretary and credit manager, E. L. Bruce Co., Memphis; J. Allen Walker (Western), general credit manager, Standard Oil Co. of California, San Francisco; Mr. Stumborg; Ralph E. Brown (Central), vice president, Marsh & McLennan, Inc., St. Louis, and James H. Donovan (Eastern), assistant treasurer, Jones & Laughlin Steel Corp., Pittsburgh.

**There is hardly anything in the world that someone cannot make a little worse, and sell a little cheaper, and the people who consider price alone are this man's lawful prey.**

—John Ruskin

Amount	Due Date	Date Paid	Days Past Due
\$1000	1/10	3/10	60
10	2/10	2/15	5
500	2/10	3/10	30
20	3/10	3/12	2

"In arriving at the average days past due for the four items, we totaled the number of days past due for all items, a total of 97, and divided by the number of items involved. This gives us an average of 24.25 days. But is this accurate? As can plainly be seen, the two very small items, totaling only \$30, heavily weighted the average in favor of the debtor.

"State the example in reverse. Assume the account paid the \$1,000 item 2 days beyond due date, the \$500 item 5 days beyond due date, the \$20 item 30 days beyond due date, and the \$10 item 60 days beyond due date. We arrive at the same average of 24.25 days, but in this case the average is very heavily weighted against the debtor."

The dollar volume is what makes the difference. As the credit executive puts it, "we're certainly not going to worry about an account that pays us 30 days slow on a \$10 invoice, yet discounts the \$1,000 items. Realizing this, we soon gave up this method of formalizing payment records."

The solution finally reached was

ber of days beyond due date paid. The dollar-day rating is found by dividing the total of the dollar-day factors by the total of the items paid. This gives a dollar-day rating, in this instance, of 49.07 days, which, at Noma-Lites, Inc., is believed to give a much more accurate picture of the account's manner of payment.

Reverse the situation, as in the earlier example. Assume that the account paid the \$1,000 item 2 days beyond due date, the \$500 item 5 days beyond due date, the \$20 item 30 days beyond due date, and the \$10 item 60 days beyond due date. The dollar-day rating would be 3.72 days, "which accurately reflects the account's manner of payment."

#### Alphabetical Code Added

"To enhance the value of this rating system," Mr. Raisbeck continues, "we added an alphabetical code to indicate the account's total volume for the year. In our case 'C' represents volume under \$1,000, 'B' denotes volume of \$1,000 to \$5,000, and 'A' represents volume over \$5,000. The rating for the example given would, therefore, be 49.07B. By using this alphabetical code, not only do we have an accurate appraisal of the account's past payment record, but we have an idea as to

#### Featherweight Credit Comes to Gas Station

"FEATHERWEIGHT" plastic credit plates are being used throughout the market area by the Atlantic Refining Company, Philadelphia, and mechanical imprinters have been installed on the pump islands.

The dealer notes the amount of the sale, places the plastic plate and his invoice slip in the imprinter, pulls the lever; the imprinter stamps the customer's name and account number, the dealer's name, address and service station number, and the date.

William Stockton, manager of credits and collections, estimates 10 million invoices will be processed this way in the year.

#### Railroads Looking Up; See Record Earnings

FAVORABLE traffic outlook and the 6 per cent rate increase granted by the Interstate Commerce Commission point to a year of excellent earnings, possibly a record, for the nation's railroads, in an analysis by Anthony O. Leach, manager, railroad division, National Securities and Research Corporation.

#### Insurance Sales Note

FEWER life insurance salesmen per 10,000 population but greater volume business by each plus larger earnings; that's the picture etched by Earl M. Schwemm, agency manager, Great-West Assurance in Chicago. Mr. Schwemm was moderator of a forum of agents of the National Association of Underwriters.

The speaker pinpointed these trends: longer periods of dependency, widening needs for juvenile insurance and a growing market among women, more use of trusts, and increased accident and sickness insurance.

#### Light from Soviets

RUSSIA has almost trebled its coal production since 1937, doubled the crude petroleum output, more than doubled its steel productivity, and quadrupled production of electric energy, according to totals given the United Nations and published by the latter's statistical office. However accurate the totals, the stepping up of the Reds' production rates is evident, as is true also in all other countries adopting modern technology.

Amount	Due Date	Date Paid	Days Past Due	D.D. Factor
\$1000	1/10	3/10	60	60,000
10	2/10	2/15	5	50
500	2/10	3/10	30	15,000
20	3/10	3/12	2	40
<b>\$1530</b>				<b>75,090</b>

called the "dollar-day rating." This gives the average payment-record per dollar of volume, which is the primary concern.

Taking the same example as given heretofore, Mr. Raisbeck shows how he would obtain the "dollar-day rating."

The dollar-day factor is arrived at by multiplying the item by the num-

ber of days beyond due date paid. The dollar-day rating is found by dividing the total of the dollar-day factors by the total of the items paid. This gives a dollar-day rating, in this instance, of 49.07 days, which, at Noma-Lites, Inc., is believed to give a much more accurate picture of the account's manner of payment.

Reverse the situation, as in the earlier example. Assume that the account paid the \$1,000 item 2 days beyond due date, the \$500 item 5 days beyond due date, the \$20 item 30 days beyond due date, and the \$10 item 60 days beyond due date. The dollar-day rating would be 3.72 days, "which accurately reflects the account's manner of payment."

# Guides to Improved Executive Operation

## KEEPING INFORMED

DEVELOPING AND SELLING NEW PRODUCTS; A Guidebook for Manufacturers —U. S. Department of Commerce and Small Business Administration jointly offer a booklet describing companies' experiences, outlining programs for other concerns, and listing major sources of ideas. Write Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. 40 cents.

AMERICA'S ROAD PROBLEM — The Chase Manhattan Bank, underscoring the overcrowded and unsafe conditions of America's highway system in the rapidly increasing amount of traffic, proposes a combination "pay-as-you-go" and borrowing program, with Federal attention to state and local government financial problems. Chase Manhattan Bank, 18 Pine St., New York, N.Y.

INVENTORY IN ACTION—Many bank loans, which otherwise might have been turned down, have been made on the security of field warehouse receipts. This 22-page booklet explains with case histories how businesses in every phase of agricultural and industrial production have been helped by the American Express Plan of field warehousing. Free: contact American Express Field Warehousing Corp., 65 Broadway, New York 6, N.Y., or any of its offices.

GROWTH AND DISTRIBUTION OF BANK DEPOSITS 1940-55—Factors Basic to Banking and Public Policy. A 12-page booklet analyzing the trend of bank deposits for the nation, New York State, and the 15 banks which comprise the New York City Clearing House Association. Includes charts and tables. For free copy, write M. A. Schapiro & Co., 1 Wall St., New York 5, N.Y.

*Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.*

*To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N. Y.*

## EFFICIENCY TIPS

519—A simplified method of computing payroll and all related reports with the 330-2 Calculating Punch and the 315-1 Collating Reproducer is described in a 12-page illustrated booklet (TM-946) of Remington Rand. For details, write us.

520—"Offset Duplicating Gets the Green Light" explains the uses of the offset process and describes features of the new A. B. Dick Company Model 350 duplicator. For copy, write us.

521—"Cutting Costs with Carpet," booklet issued by the Carpet Institute, gives facts on floor maintenance costs. According to Industrial Sanitation Counselors, Inc., carpeted floors are cheaper to maintain than uncarpeted floors, however great the traffic.

522—if hiring office personnel, you'll find a pamphlet by Howard G. Martin helpful. Tips are given on recruiting, screening, testing, reference checking and interviews.

523—"Automation in Paper Gathering," brochure of Donovan Hershey Corporation, describes the features of the Cummington 8-station collator which gathers paper from 9 lb. manifold to 110-lb. ledger. We shall be glad to obtain a copy for you.

524—What to do in case of fire is the subject of a booklet by The Kane Service. Intended for the watchman, it outlines procedure to follow in case of fire and types of fire extinguishers to use on various fires.

525—Handy desk or wall chart of postal rates, with parcel post map and zone finder, is offered by Pitney Bowes, Inc. For free copy, write us.

## BOOK REVIEWS

MANAGEMENT POLICIES IN AMERICAN BANKS—by Homer J. Livingston. \$3.00. Harper & Brothers, 49 East 33rd St., New York 16, N. Y.

• An authoritative review of major aspects of sound banking administration, with an analysis of the responsibilities of bank management, covering phases of credit functions; the uses of capital; accounting, internal controls, and taxes; personnel training; responsibilities of bank directors; and public relations programs.

## OTHER BOOKS REVIEWED AND RECOMMENDED

HOW TO WIN SUCCESS BEFORE 40—By William G. Damroth. \$4.95. Prentice-Hall, Inc., 70 Fifth Avenue, New York 11, N.Y. Suggests success methods to develop sound judgment, self-confidence, to make your ideas pay off, to improve memory and sell yourself. Contains several personal appraisal and check lists and is intended to serve as a "road-map" tracing the highways leading to achievement.

INDUSTRIAL PURCHASING—By J. H. Westing and I. V. Fine, \$7.50. John Wiley & Sons, Inc., 440 Fourth Ave., New York 16, N. Y. Offers unusual innovations in the field of industrial purchasing and in management of purchasing personnel. A splendid treatment of the subject, including a survey of many basic products with which most executives deal in their purchasing responsibilities.

REPORT WRITING—By John Bael and Cecil B. Williams. \$4.75. The Ronald Press Co., 15 East 26th St., New York 10, N. Y. An effective presentation based on a general, functional approach to report writing, for the engineer, retail buyer, accountant, research worker, salesman, credit manager, and men and women at all levels of management. Throughout are many current examples of reports drawn from actual files.

THE INTERPRETATION OF FINANCIAL STATEMENTS—By Benjamin Graham and Charles McGolrick. \$2.25. 114 pages. Harper & Brothers, 49 East 33rd St., New York 16, N. Y. An informative interpretation and manual for all who desire to understand corporation balance sheets and income statements, for everyone who comes in contact with corporations and their securities.

*Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.*



## 60th Annual CREDIT CONGRESS In Pictures

REGISTERING. President Paul J. Viall, Past President C. Callaway and Past Director Mrs. Lucy G. Killmer register, while Mrs. Beath Robinson, past chairman, National Credit Women's Executive Committee, awaits turn. Harry W. Voss, Cincinnati association secretary and convention committee secretary, is at right.

Two pages of Industry Meeting pictures will appear in the August issue.



Be-ribboned and perhaps a bit be-deafened by the cacophony of noisemakers, NACM's new president mounts the platform.



SILVER SERVICE, NACM's thank-you to the outgoing president and First Lady, is admired by the Vialls as Mrs. Irwin Stumborg and the new president look on. The unveiling was by C. Herbert Bradshaw, Bausch & Lomb, Rochester, past president.



MISS MARIE LOUISE LA NOUE, vice chairman, National Credit Women's Executive Committee, presents to NACM President Paul J. Viall, Chattanooga Medicine Company, a scroll from the 56 clubs which added 187 memberships in the year.



Miss Marie Louise La Noue, newly named assistant credit manager, Times-Picayune, New Orleans, and vice chairman of the National credit women's executive committee, accepts the membership plaque for the Oklahoma Wholesale Credit Women's Group.



DELEGATES from the Southern Division NACM, and their wives, get together at a buffet breakfast session in the Netherland Plaza.



### HEIMANN THANKS WELL-WISHERS AT TESTIMONIAL LUNCHEON

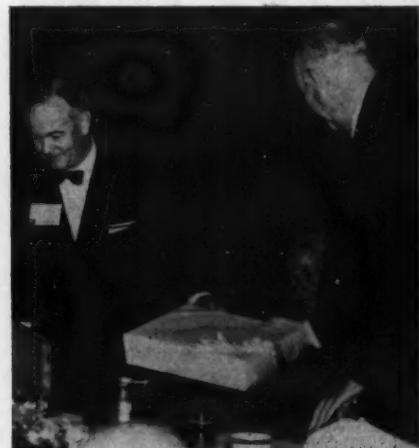
LEFT TO RIGHT: The first five are members of the Secretarial Council: George E. Lawrence, secy.-exec. mgr., Dallas Wholesale Credit Managers' Assn. Inc., Dallas (Southern Division); James B. McKelvy, secy.-mgr., The Rocky Mountain Assn. of Credit Men, Denver (Western); M. J. Davis, exec. vice pres., New York Credit & Financial Management Assn. (Eastern); Ed. Kurtz, secy.-exec. mgr., Omaha Assn. of Credit Men, Omaha (Central); and Jack C. Hodgkins, Jr., secy.-mgr., Georgia Assn. of Credit Men, Atlanta (Council Chairman); W. L. Holmes, Schlumberger Well Surveying Corp., Houston, vice pres., Southern Div.; J. Allen Walker, Standard Oil Co. of California, San Francisco, vice pres., Western Div.; Irwin Stumborg, Baldwin Piano Co., Cincinnati, general chairman, 60th Annual Credit Congress, vice pres., Central Div.; Executive Vice President Henry H. Heimann; F. M. Hulbert, The Procter & Gamble Dist. Co., Cincinnati, vice general chairman of Convention; William L. McGrath, president, Williamson Co., Cincinnati, Wednesday forenoon plenary speaker; Paul J. Viall, Chattanooga Medicine Company, NACM president who presented album of testimonials from the Association to Mr. Heimann; Victor C. Eggerding, Gaylord



FROM the Credit Men, says Victor C. Eggerding, past president, presenting a silver tray and goblets to the honor guest.



MRS. LUCY G. KILLMER of Cleveland, past National director, presents a pen and pencil set to Mr. Heimann, from the Credit Women's Clubs.



PRESIDENT PAUL J. VIALL extends to Mr. Heimann the thanks of National in the form of an album of personal well-wishes.



ANNIVERSARY ACCOLADE is prefaced by this pinpointing of the 60th year of NACM and the Cincinnati Association and the 25th year of National leadership by Henry H. Heimann, executive vice president. (l to r) NACM President Paul J. Viall and Mrs. Viall, Mr. Heimann, and Mr. and Mrs. William Behrens, The Randall Co., president of the Cincinnati Assn. of Credit Men.



FROM THE PODIUM Paul J. Viall signals the close of his presidency of National and the introduction of Irwin Stumborg to the office, with the passing of the gavel. In his acceptance speech the president-elect emphasized that "to reach our goal we must travel the same road and help each other" and the members must unite in a common endeavor to enlarge and strengthen the Association.



PAST PRESIDENTS, HONOR GUESTS, AT TABLE IN FOREGROUND

Container Corp., St. Louis, NACM past president (elected in 1952), who officiated in presentation of silver tray and goblets "for the credit men"; Mrs. Lucy G. Killmer, The Guarantee Specialty Co., Cleveland, past NACM director, who presented a pen and pencil set for the Credit Women; Wm. Behrens, president, Cincinnati assn.; Miss Antoinette Rehrer, Peerless Confection Co., Chicago, chairman Credit Women's Executive Committee; Mrs. Dorothy Dodd, Graybar Electric Co., Cincinnati, president Women's Group of Cincinnati Association of Credit Men and member convention executive committee.

At the past presidents' table in the foreground are shown (with year elected) the following (l to r): William Fraser of New York (1930); Edward Pilsbury, New Orleans (1936); Charles A. Wells, St. Joseph, Mo. (1939); Bruce R. Tritton, Cleveland (1942); Paul W. Miller, Atlanta (1943); Charles B. Raidon, Toledo (1947); Charles E. Fernald, Philadelphia (1948); C. Callaway, Jr., Chickamauga, Ga. (1949); A. J. Sutherland, San Diego (1950); Lorne D. Duncan, Santa Barbara (1951); D. M. Messer, San Francisco (1953); C. Herbert Bradshaw, Rochester, N.Y. (1954).



CREDIT RESEARCH FOUNDATION-EDUCATION dinner for members of the National Institute of Credit, Graduate Schools, and Credit Management Workshops. (l to r) P. W. Cuthill, gen. credit mgr. and asst. treas., South-Western Publishing Co., Cincinnati, vice chairman of convention committee; Mrs. Cuthill; W. J. Dickson, managing director, Foundation, and educational director, NACM; Mrs. Dickson; R. Lynn Galloway, gen. credit mgr., Eastman Kodak Co., Rochester; Paul Miller, pres., Marlborough Co., Atlanta; Mrs. Viall; Paul J. Viall, treas., Chattanooga Medicine Co., Chattanooga; J. Allen Walker, gen. credit mgr., Standard Oil Co. of Calif., San Francisco; C. E. Fernald, exec. vice pres., Lea River Lines, Inc., Philadelphia; Mrs. Fernald; Henry H. Heimann, exec. vice pres., NACM; Miss Ruth Hootor, treas., NACM; Earl N. Felio, treas., Colgate-Palmolive Co., New York; Dr. Carl D. Smith, consultant Graduate School of Credit & Financial Management and past managing director of Foundation; Robert A. Nunlist, credit mgr., Armco Steel Corp., Middletown, Ohio, member general convention committee. The decisions of the board of trustees of the Credit Research Foundation, including election of officers and the advancement of Mr. Dickson, are reported elsewhere in this issue.



PHOTOGRAPHIC SALUTE to all of the committees of the 60th Annual Credit Congress, Cincinnati, and to S. J. Haider (second from right in front row standing), NACM vice president and convention director.

## To Them Special Honors for Top-Rank Membership Enrolments



ONE-YEAR AWARDS. (l to r) Class G—Roy Jarrard, Missouri Power & Light Co., Jefferson City, Central Missouri Assn.; Class C—W. L. Stone, NACM Oklahoma Division, Oklahoma City; Class A—A. J. Sutherland, Security Trust & Savings Bank, San Diego; Class E—J. R. Heggen, Electric Engineering & Equipment Co., Des Moines, Quad City Unit-Davenport (branch Des Moines); Class D—A. H. Dunlop, secty., NACM North Florida Unit, Jacksonville; Class F—Miss Mamie Perron, Muskegon Brake Clinic, secty., Muskegon Assn.; Class AA—Robert L. Howard, Logan Co., Louisville Assn., president; Class B—James R. Leister, secty., Toledo Assn.



WINNERS of Gruen watches for outstanding accomplishment in consecutive monthly net membership gains of their association: (l to r) J. B. McKelvy, secretary-manager, The Rocky Mountain Assn. of Credit Men, Denver; Lawrence Holzman, treasurer-secretary-manager, San Diego Wholesale Credit Men's Assn.; and Ralph Johns, secty. and exec. mgr., Indianapolis Assn. of Credit Men.



THE ANNUAL AWARD of the Royal Order of Zebras, for outstanding services in enrolling new members in NACM, goes to John B. Schoenfeld (left), vice president, Forstmann, Inc., the new president of New York Credit & Financial Management Assn. Presentation is by Lester C. Scott, asst. secretary and credit manager, E. L. Bruce Co., Memphis, new vice president Southern Division NACM and past National Superzeb.



RECEIVING plaques awarded the associations topping the list for five-year progression through consistent sales and promotional effort: Class AA, Rochester, John J. Fitzpatrick; Class A, San Diego, J. A. Landale; Class B, El Paso, Ernest Winter; Class C, Nashville, James J. McCormick; Class D, Springfield, Mass., Victor Biscotti; Class E, Quad City Unit (Davenport, Iowa—branch Des Moines), J. R. Eggen; Class F, Erie, Pa., Milton A. Bemis; Class G, Madison, Wis., A. A. Zimmerman.

THE United States should "get out of the International Labor Organization" because the Communists "have their foot in the door and are preparing to take it over," warns William L. McGrath, president, Williamson Company, Cincinnati.

Mr. McGrath in 1954 was elected an employer member of the ILO Governing Body, composed of representatives of governments, workers and employers and serving as a board of directors. However, last year he withdrew from participation in ILO committees on which Communist socalled "employers" had been seated. He had served as nominee of the Chamber of

ous collectivist ideologies, with our own philosophy of a free competitive system regarded, as we are told in the ILO, as an old-fashioned, outworn concept."

A proposal in Senate Joint Resolution No. 97, that Congress raise the ceiling for U. S. contribution to ILO from \$1.75 millions a year to \$3 millions, would, if passed, "be just another example of taxpayers' money going for a purpose that most Americans have never even heard of." Furthermore, of the ILO budget the United States pays 25 per cent and the other members 75 per cent. Hence, "if we boost our contribution

social and economic questions, for adoption by member nations all over the world." Our Congress approved the Philadelphia declaration and so when we ratify an ILO convention it becomes an international treaty and we are bound by it, he added.

When Russia returned to ILO membership in 1954 "in a big way," bringing in its satellites, "the Communists gained a strong foothold, and they strengthened their position last year." How that Red strength operates was explained by Mr. McGrath as follows. The Communists, with their satellites, have a solid block of 32 votes (36 when Romania is ad-

## REDS' "FOOT IN THE DOOR OF ILO"

### *Credit Men Urged to Ask Study of World Labor Unit*

Commerce of the United States and the National Association of Manufacturers, as advisor to the U. S. employer delegation at four annual international labor conferences, and as U. S. employer delegate to the 1954 and 1955 conferences.

In its earlier years, Mr. McGrath told the 60th Annual Credit Congress in Cincinnati, the ILO had concentrated upon labor welfare and had proposed a series of constructive practices for employment conditions, "but then the ideology of state socialism came into ascendancy" and "the ILO fell completely under the domination of a socialistic government-labor coalition. It decided that *anything* in industry, government, or social systems that in any way affected the working man was a subject for consideration. That was how the state socialists moved in on the organization and used it as a means of promoting socialist ideology" and "as a breeding ground of socialist ideas."

Mr. McGrath urged the credit executives to write their Congressmen and Senators in support of resolutions passed by the directors of the U. S. Chamber of Commerce and the National Association of Manufacturers recommending a thorough investigation by the Congress and the executive branch to determine if the United States should withdraw. These resolutions had followed Mr. McGrath's presentations to both organizations that "the original objectives of the ILO have been completely subordinated to the use of ILO as an internationalist debating society for vari-

to \$3 millions, this would make it possible to boost the total ILO budget from \$7 millions to \$12 millions and would enable it to expand its activities accordingly." (The Senate passed SJRes #97 with amendment by Senator John W. Bricker making the increase payable only if "delegates allegedly representing employers and employees" of the U.S.S.R. or any of its satellites are not permitted to vote at ILO meetings. The House action was still to come as this issue went to press.—Ed.)

Many of the socialist proposals introduced in Congress, Mr. McGrath explained, had their origin in the ILO, which originated with the League of Nations and kept on going after the demise of the League. (U. S. joined ILO in 1934.) It hooked up with the United Nations in 1945 but "runs its own show," though the United Nations annually gives it an additional \$2 millions, of which U. S. pays one-third.

#### *Drafts Basic Laws for Members*

In 1944 in Philadelphia the ILO adopted a declaration stating, "It is the responsibility of the International Labor Organization to examine and consider *all international, economic and financial policies*" in the light of the fundamental objective that people have a "right" to economic security. "By this device," Mr. McGrath warned, "the ILO arrogated unto itself the supposed right to draft basic laws on

mittted). Though there now are 71 nations in the ILO, the actual votes cast on any proposal average 170, and only 86 of this total are required for a majority. Thus the Communists' votes are "very effective."

"The free employers immediately insisted that socalled 'employer' delegates from Communist countries were ineligible, because employer delegations were supposed to represent free associations of free employers, and there was no such thing in Communist countries. Representatives of free trade unions likewise objected to the seating of socalled 'employee' delegations from Communist countries.

"This argument has now been going on in the ILO for two years—without any conclusion. To register my protest against the seating of Communist socalled 'employer' delegates at last year's conference, I withdrew from participation in ILO committees upon which Communist socalled 'employers' had been seated," for when 'employer' and 'worker' delegations are "merely mouthpieces of their government, the result is a solid bloc of Communist party votes." It is like "putting a member of an opposing football team in the middle of a huddle where signals are being called."

Mr. McGrath urged enactment of the Constitutional amendment proposed by Senator Bricker to protect the United States from the imposition upon us of laws written by foreign countries "by the device of treaty ratification."

# Modernizing the Office

## New Equipment to Speed Production and Reduce Costs

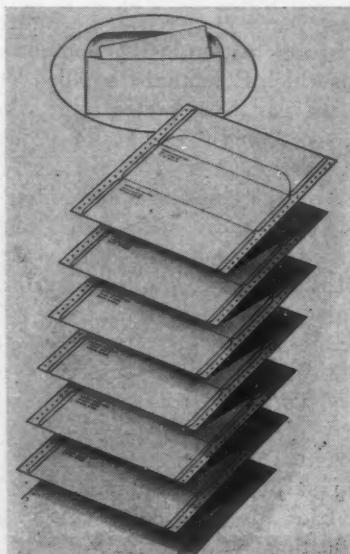
### L-Shaped Modern Desk



B-293 The clean-cut modern lines of the new Norman Steinhilber-design desk, enhanced by a front section of vinyl plastic fibre screen with wood cross strips and solid brass hardware, make this a piece of office equipment of dignified unobtrusive luxury. The L-shape provides maximum working space for reception or secretarial use. Formica top and drawer faces with supporting elements in a choice of walnut, mahogany or oak are features. Desk is exclusive with CLARK & GIBBY, INC.

### Continuous Form Envelopes

B-294 Automation in addressing becomes possible with the CHAIN-O-MATIC, new open side envelope in continuous fan fold form. Primarily for tabulating use, the envelope can be run through any printer, tabulator or typing device equipped with



**This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.**

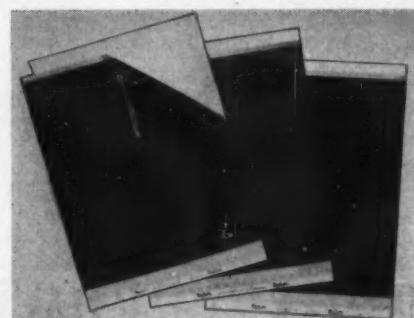
pin-feed platen. The seal flap is designed for use with postage meter machines so that the flap can be sealed and postage imprinted in one operation. Curtis 1000 Inc. offers the Chain-O-Matic in several sizes and styles for both first- and third-class mailing. (Envelope in oval insert, illustrated, shows open side construction for easy insertion of enclosures.)

### Check Writer-Signer Twin



B-295 With the ROYAL COMPANION SIGN-O-METER (check signer) AND DATER The Hedman Company teams two tools for further mechanizing procedure. The new check signer works in combination with any of their F&E Premier check protector machines. Operator inserts check in check protector (1), sets up desired figures, depresses trip bar in the usual manner. The check is instantaneously imprinted, then automatically passes through the check signer, where it is signed and dated. The two machines are not connected by wires or other parts and each may be used individually. Signature plate is removable for safekeeping in vault.

### Second Sheet-And-Carbon



B-296 You simply snap out and throw away this onetime carbon. The ready-made DUPLISSETTE second-sheet-and-carbon set for all typewritten copies eliminates clerical time and motions of inserting, collating, lining up, removing and storing loose carbon sheets. There is no carbon handling to dirty the typist's hands or smudge papers. The Duplisette is inserted in the typewriter simultaneously with letterhead or other form. Additional copies are made at one time by simply adding Duplisettes. Product of Carteret Printing Company. White, canary or pink second sheets supplied.

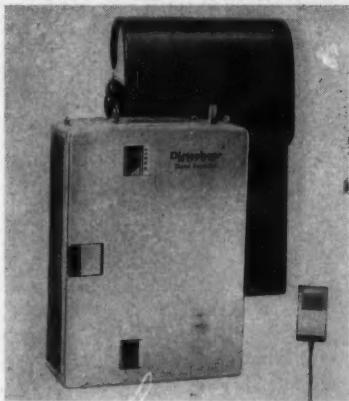
### Office Paper Shredder

B-297 Latest in the company's line of office and industrial shredding machines, the portable SHREDMASTER BANTAM 10 is designed expressly for office use, for destroying confidential and obsolete papers quickly, safely and quietly. Slanted gravity feed and



safety throat with greater cutting width are features. The shredded paper falls freely, without dust or litter. The modern-design Bantam can be safely operated by untrained personnel, says the manufacturer, Shredmaster Corporation, div. of Self Winding Clock Co. No special installation is required; it may be plugged into a standard outlet.

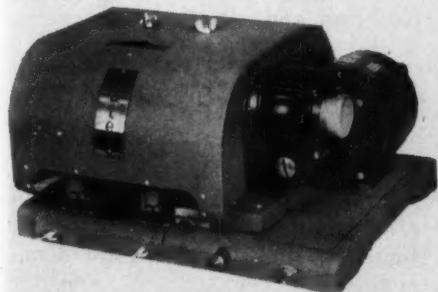
### Portable Memory Device



B-298 Miniature recorder introduced by the Dictaphone Corporation, the DICTET weighs only slightly over 2½ pounds, making it easily portable for on-the-spot recording. Battery-powered, it gives a full hour's recording on magazine-loaded magnetic tape; has a completely transistorized amplifier. Controls for starting and stopping, recording, power rewinding and playback of the Dictet are simple. Small plug-in attachments quickly convert the recorder into a transcribing machine. Recording is erased automatically by a separate, integrated magnet, so that tapes are indefinitely reusable.

### For Quantity Stapling

B-299 To meet quantity stapling requirements, the BATES DOUBLE HEAD ELECTRIC STAPLER comes equipped with two stapler heads, each loaded with sufficient rustproof brass wire to make 5000 staples. Stapling units are actuated when papers contact the hair trigger switch. Guide can be set to



put staples into papers from  $\frac{1}{8}$ " to  $\frac{1}{4}$ " from edge. Heads are adjustable for stapling from  $1\frac{1}{2}$ " up to 4" center-to-center of staples. Portable and compact, the Bates Manufacturing Company unit operates on AC motor drive, 110-120 volts, 60 cycles.

### Maturity Date Calendar

B-300 For use in calculation of interest and discount on the actual day basis, or a 30-day-to-month basis, the Kingsley-Glenn CIRCULAR MATURITY DATE AND DAY CALENDAR should be valuable to bankers, auditors, governmental agencies and others. Also useful in formulating long-range schedules, the Time Unit Circle on the face of the disc is divided into 365 day units with special markings for 30-day multiples, weeks, months and quarterly approximations. Days of the week and holidays are indicated. On the reverse side are listed factors for calculation of interest at rates to 6 per cent, by sixteenths, on the basis of 360 and 365 days to the year. L. K. Hofmann is distributor of the device, which is constructed of laminated plastic with the printed data inlaid. Diameter is  $9\frac{1}{2}$  inches.

*Middle age is when you feel on Saturday night the way you used to feel on Monday morning.*

—Anonymous

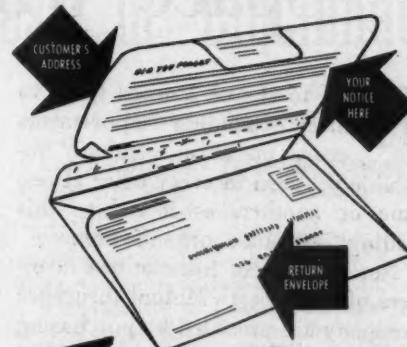
### The "150" Typewriter



B-301 With wide range of type styles to choose from, the UNDERWOOD 150 typewriter offers opportunity to personalize your letters. Other features of the all-new 150 "with the personal touch" are front scale for direct reading, instant margin and tab setting, and newly designed keyboard with colored keys. Available in standard and wide carriage widths. For further information, write us.

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# Company Recaptures Half of Storage Space When It Installs Mobile Units

**H**OW to stretch storage space to meet expanding requirements crops up as a seemingly insoluble problem in every office at one time or another, as it did to this leading insurance organization.

New equipment installations in offices of the Liberty Mutual Insurance Company are preceded by purchasing department studies at the home office in Boston. There are made the surveys on new equipment of all types, to determine which type equipment would be best suited to their operations.

From these circumstances came Liberty Mutual's Pittsburgh installation of the Dolin Mobile Storage System, which has yielded "a space saving of at least 50 per cent," estimates Pittsburgh office service manager O. C. Williamson. "Compactness" and "ease of operation" are other advantages noted by Mr. Williamson.

## Mobiles vs. Statics

A British-patented technique, the Mobile Storage System is increasingly being used in offices here to increase the amount of usable floor space by converting a large percentage of storage area aisle space to productive area.

In the traditional static storage arrangements, there is one aisle for every two rows of storage equipment. Roughly, 50 per cent of the area becomes non-productive. With the Mobile Storage arrangement of Dolin Metal Products Inc., six, seven, eight and more rows of equipment may be utilized with only one aisle.

Space reclamation is achieved by combining rows of rolling (mobile) storage equipment on  $\frac{1}{2}$ " high tracks with rows of fixed (non-mobile)



**V**ALUABLE SPACE SAVED—At Liberty Mutual Insurance Company's Pittsburgh office, the Dolin Mobile Storage installation has yielded up to more productive use some 50 per cent of the space formerly required for storage with other means of equipment. Two mobile rows and (rear) fixed row, with a similar installation at the left, give six rows of equipment with only one aisle, where normally three aisles would be required. The rows glide easily along the track.

equipment, with only an inch or two clearance space between rows. Each mobile row contains one unit less than the fixed row, permitting each mobile unit to roll easily sidewise along the tracks, providing access to all rear units. The special construction of the mobile bases or dollies allows easy movements of extremely heavy loads—15 pounds to move a one-ton load. Conversion to mobile storage from existing types is easily made.

The number of mobiles required depends on layout primarily, and activity. Number of references, i.e., usage, number of personnel, are factors considered in installation for operating efficiency.

"The results obtained from this installation can be measured in many ways," office manager Williamson tells us. "The principal saving, however, is in the small amount of space occupied by the Mobile Storage type installation as compared with regular steel shelving with aisles between each section. We estimate at least a 50 per cent saving spacewise."

"The mobile shelving units can be moved with the greatest ease, by female

as well as male personnel. Pressure of two fingers is all that is needed."

"The installation is extremely compact and many steps are saved daily by persons working with supplies and other stored material."

"Obviously the time involved in these operations is also greatly reduced with this type system. This of course could result in a personnel reduction in many cases."

## New IBM Supplies Division

An electric accounting machine supplies division has been established by International Business Machines Corporation to take over the development and manufacture of all supplies for the company's electric accounting machines and electronic computers.

## Addressograph-Multigraph Plant

Plans have been completed for new construction to add 44 per cent to the office and plant facilities of Addressograph-Multigraph Corporation in Cleveland, President J. B. Ward announced.

**F**ROM business college and Atlanta Law School, O. C. Williamson ten years ago joined Liberty Mutual Insurance Company in his native Atlanta. He transferred to Pittsburgh in January 1955. As office service manager he is concerned with equipment, space and accident prevention planning.

# Executives Take Home Myriad Ideas to Improve Operations from Credit Congress in Cincinnati

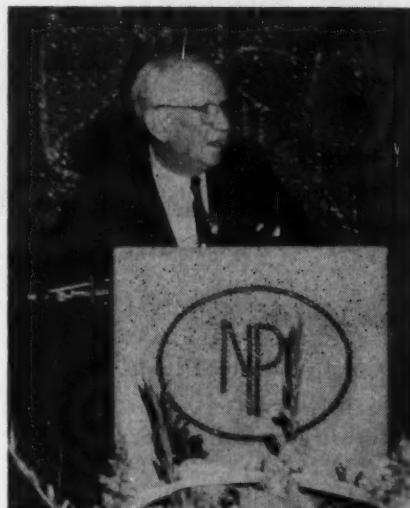
THROUGH the immediate patches of cloudiness in a few industries shines the unmistakably bright long-distance horizon of the American economy.

Of the 2500 who attended the 60th Annual Credit Congress in Cincinnati, executives are back at their desks after hearing speaker after speaker, at the plenary sessions and in the Industry meetings, bespeak their factual confidence that while business of the third quarter may level off a bit, the fourth period will see a rebound, with the year-end overall picture on the very positive side and comparing favorably with 1955.

Noted were the drop in automobile business, the slight dip in housing construction, the downward movement in farm machinery sales, the efforts of farm product prices to rise out of the trend, and the problems of the textile industry in the face of foreign competition.

In his keynote address, reported in the June issue of *CFM*, Henry H. Heimann, executive vice president, also pointed to evident signs of the citizenry's resentment at the Government's heavy spending and resultantly onerous tax burden, all making long-term credit more difficult. But great progress has been made in spite of the several problems, he declared, proceeding to spell out a dozen or more major directions toward an even greater future, provided business fulfills its obligation to "try to help check inflation."

In fact, practicable methods to build profitable business threaded the theme of the convention at all levels.



Henry H. Heimann Keynoting

A good year, said in retrospect the outgoing president, Paul J. Viall, treasurer of the Chattanooga Medicine Company. (Mr. Viall's report of his stewardship begins on page 36).

"I have every confidence that we shall have a successful year." This from the president-elect, Irwin Stumborg, assistant treasurer and head of the finance department in charge of wholesale and retail credits, The Baldwin Piano Company, Cincinnati. (A profile study of Mr. Stumborg will be found on page 14 of this issue).

The four divisional vice presidents for 1956-57 are:

Central Division: RALPH E. BROWN, vice president, Marsh & McLennan, Inc., St. Louis;

Eastern Division: JAMES H. DONOVAN, assistant treasurer, Jones & Laughlin Steel Corporation, Pittsburgh;

Southern Division: LESTER C. SCOTT, assistant secretary and credit manager, E. L. Bruce Company, Memphis;

Western Division: J. ALLEN WALKER (re-elected), general credit manager, Standard Oil Company of California, San Francisco.

## Eleven New Directors

Eleven new directors elected are:

JOSEPH C. ACUFF, general credit manager, Butler Mfg. Co., Kansas City; ROBERT L. ALLEN, general credit manager, D. Ghirardelli Co., San Francisco; VERN S. AMES, general credit manager, Kimberly Clark Corp., Neenah, Wis.; WILLIAM R. DUNN, general credit manager, General Foods Corp., White Plains, N.Y., immediate past president of the New York Credit & Financial Management Association; FRED J. FLOM, supervisor-credit and adjustment division, sales department, The Detroit Edison Co., Detroit; LELAND T. HADLEY, assistant secretary, Goodman Mfg. Co., Chicago; MISS ELMA HANSON, credit manager, Blake, Moffitt & Towne, Seattle; RICHARD C. HUNT, credit manager, F. S. Harmon Mfg. Co., Tacoma; RAYMOND A. PEAR, the Pfaudler Co., Rochester, N.Y.; STEPHEN F. SAYER, vice president, The First Pennsylvania Banking & Trust Co., Philadelphia; GILBERT W. SITES, credit manager, The



## New N.A.C.M. Officers and Directors

**President—Irwin Stumborg, Baldwin Piano Co., Cincinnati, Ohio**

**Vice President (Central Division)—Ralph E. Brown, Marsh & McLennan, Inc., St. Louis, Mo.**

**Vice President (Eastern Division)—James H. Donovan, Jones and Laughlin Steel Corp., Pittsburgh, Pa.**

**Vice President (Southern Division)—Lester C. Scott, E. L. Bruce Co., Memphis, Tenn.**

**Vice President (Western Division)—J. Allen Walker (re-elected), Standard Oil Co. of California, San Francisco**

### Directors—Three Years

**William R. Dunn, General Foods Corp., White Plains, N. Y.**

**Raymond A. Pear, The Pfaudler Co., Rochester, N. Y.**

**Stephen F. Sayer, The First Pennsylvania Banking & Trust Co., Philadelphia, Pa.**

**Fred J. Flom, The Detroit Edison Co., Detroit, Mich.**

**Vern S. Ames, Kimberly-Clark Corp., Neenah, Wis.**

**Leland T. Hadley, Goodman Manufacturing Co., Chicago, Ill.**

**Joseph C. Acuff, Butler Manufacturing Co., Kansas City, Mo.**

**Robert L. Allen, D. Ghirardelli Co., San Francisco, Calif.**

### Director—Two Years

**Richard C. Hunt, F. S. Harmon Mfg. Co., Tacoma, Wash.**

### Directors—One Year

**Gilbert W. Sites, The Times-Mirror Co., Los Angeles, Calif.**

**Miss Elma Hanson, Blake, Moffitt & Towne, Seattle, Wash.**

Times-Mirror Co., Los Angeles. (Pictures of all the official National family appear on page 35).

Calling upon all affiliates and individuals to cooperate in strengthening the membership and services, Mr. Stumborg declared in his acceptance speech, "To reach our goal we must travel the same road and help each other."

The new president urged continued close cooperation between the National and the local associations, expansion of the educational program so that "credit executives will be able to take their place in top management," maximum efficiency in all departments.

Earl N. Felio, treasurer, Colgate-Palmolive Company, New York, has been elected president of Credit Research Foundation, Inc. (Story of election of Mr. Felio and four vice presidents in third column.)

William J. Dickson was elected by the board of trustees of the Credit Research Foundation to the posts of managing director of the Foundation and executive director of the Graduate Schools of Credit

and Financial Management. He is also NACM director of education. Dr. Carl D. Smith, in semi-retirement, will be consultant to the Graduate Schools.

### 189 Added by Credit Women

The Credit Women's Clubs reported 189 new memberships for a total exceeding 2600. Winner of the plaque for new memberships was the Credit Women's Group of Oklahoma City. Second place went to the Dallas Wholesale Credit Women's Group.

The first plenary session was called to order Monday morning by Irwin Stumborg, general convention chairman. After the invocation by the Rev. Norris F. Arnold of Christ Church, Cincinnati, and presentation of the colors by a D. A. V. honor guard, Mr. Stumborg presented the gavel to President Viall and the Credit Congress was underway.

Welcoming the Credit Congress delegates for the State of Ohio was Assistant Attorney General Richard C. Minor. For

(Continued on page 31)

### Felio Is Foundation President; Dickson Is Managing Director

Earl N. Felio, treasurer and assistant secretary, Colgate Palmolive Co., New York, is the new president of Credit Research Foundation, Inc., elected at the NACM Credit Congress in Cincinnati.

Four Foundation vice presidents elected are: Research, R. Lynn Gallaway, Eastman Kodak Co., Rochester, N.Y.; promotion, Victor C. Eggerding, Gaylord Container Corp., St. Louis; finance, K. Calvin Sommer, Youngstown Sheet & Tube Co., education, J. Allen Walker, Standard Oil Co. of California, San Francisco.

The trustees elected William J. Dickson managing director of the Foundation and executive director of the NACM Graduate Schools of Credit and Financial Management, at Dartmouth College and Stanford University. He succeeds Dr. Carl D. Smith, who is in semi-retirement but will continue to act as consultant to the Graduate Schools. Mr. Dickson also is director of education, National Association of Credit Men.

Robert M. Gardineer has been re-elected secretary of the Credit Research Foundation.

Miss Gloria Eastburn, formerly staff assistant for education, has been advanced to assistant to Mr. Dickson, in the promotion and public relations work concerned with the Foundation's research and educational functions.

### Frank D. Rock Dies; Headed National Association 1928-29

Frank D. Rock, 85, president (1928-29) of the National Association of Credit Men, died in retirement at the home of his son, Brig. Gen. Lewis B. Rock, Homestead, Fla.

Mr. Rock began with Armour & Company in 1897, served in branch house accounting, then as branch house auditor in various parts of the country before becoming general credit manager at Chicago in 1918.

In 1923 he went to Denver, principally for health reasons and to take charge of the western division of the Armour credit department.

He was active in the Chicago and Denver associations. In the national association he was a director 1924-25, and vice president before the election as president at the Seattle Credit Congress. He was a native of Milwaukee.



RETIRING DIRECTORS of the National Association of Credit Men receiving plaques at the 60th Annual Credit Congress, in Cincinnati. (l to r) Irwin Stumborg, The Baldwin Piano Co., Cincinnati, vice president, Central Division, NACM's new president; W. L. Holmes, Schlumberger Well Surveying Corp., retiring vice president of the Southern Division; Ralph E. Brown, Marsh & McLennan, Inc., St. Louis, new vice president Central Division; J. H. Donovan, Jones & Laughlin Steel Corp., Pittsburgh, now Eastern Division vice president; F. C. Knapp, Endicott-Johnson Corp., Endicott, N.Y.; C. K. Kuehne, The H. D. Lee Co., Inc., South Bend; T. Douglas Oxford, General Shoe Corp., Nashville; William Wanvig, Globe-Union, Inc., Milwaukee; and F. J. Zander, United States Plywood Corp., New York, N.Y.

## CONVENTION FROM P. 30, COL. 2

the city, in the absence of Mayor Charles P. Taft, the speaker was Councilman C. W. Rich, former mayor. William B. Behrens, secretary-treasurer, the Randall Co., as president of the Cincinnati Association of Credit Men, did the honors for the host association, with response by C. Herbert Bradshaw, general credit manager, Bausch & Lomb Inc., Rochester, and 1954-55 NACM president.

A net gain of 715 members in the year, bringing the total NACM membership to 34,601, was noted by Mr. Viall in his President's Report. (The Report is published in full starting on page 36).

"Humor — A Business Asset" was the topic of the Rev. Canon Laurence H. Hall of St. Paul's Episcopal Church, Cleveland, in a "warming up" address.

Meritorious achievement scrolls of the American Petroleum Credit Association were presented by Dr. Smith and John P. McLaughlin, assistant treasurer and general credit manager, Richfield Oil Corp., Los Angeles, president of the petroleum credit organization.

For the first time, a woman credit executive was a recipient of the award. Miss Helen R. Frankle, assistant treasurer, Island Equipment Corp., Long Island City, N.Y., was honored for her management study, adjudged the best written by a member of the 1955 class of the Graduate School of Credit and Financial Management, Dartmouth.

Milo Hefferlin, at the time assistant vice president Bank of America NT&SA, San Francisco, and since advanced to manager of the international banking department, was the Stanford Graduate School's winner of the plaque.

Ellis C. Wheeler, treasurer, Salt Lake City Hardware Co., National director and chairman of the national membership committee, presented merit awards at the forenoon session on Monday, Wednesday and Thursday. (Pictures in Pictorial Section.)

Executive Vice President Heimann was given an ovation after his keynote address on the topic, "Sound Credit for World Progress."

Following announcements by Paul W. Cutshall, assistant treasurer and general

credit executive, South-Western Publishing Co., Cincinnati, and appointment of committees by President Viall, the convention adjourned until the afternoon session, which brought an outstanding address of international note by U.S. Representative Walter H. Judd of Minnesota and a panel study on the business outlook.

After the session had been called to order by Vice President J. Allen Walker, Congressman Judd minced no words in bringing up to date the analysis of the world military and diplomatic scene which he had presented at the Boston Credit Congress in 1951. The authority on Asiatic affairs, answering his own question, "Where Do We Stand Now in Our World Relations?", criticized the current and past Administrations alike for ineptitudes in diplomatic strategy. (A report on his address appears on page 7).

Followed a special report by President

Viall on bank cooperation and introduction of the president of Robert Morris Associates, James T. Overbey, senior vice president, First National Bank, Mobile.

Introduced by moderator William L. Holmes, assistant treasurer, Schlumberger Well Surveying Corp., Houston, and Southern division vice president, a bank president and two university educators proceeded to parse the sentence, "Where Do We Go from Here?" The present, the close-in future and the long view were discussed respectively by Dr. Wilbur D. Fulton, president, Federal Reserve Bank of Cleveland; Dr. Robert Bartels, college of commerce, Ohio State University at Columbus, and Dr. Thomas J. Hailstones, chairman, department of economics and business, Xavier University, Cincinnati. (Their discussions appear, in part, starting page 8). A question and answer period followed.

At the ensuing business session, revision  
(Continued on following page)



THE NEW CHAIRMAN of the Secretarial Council, NACM, Jack C. Hodgkins, Jr., of Atlanta (left), secretary-manager of the Georgia Association of Credit Men, is greeted by the outgoing chairman, Dudley R. Meredith, Pittsburgh, secretary and executive manager, The Credit Association of Western Pennsylvania, at the 60th Credit Congress, in Cincinnati.



CREDIT WOMEN'S FORUM, at National's Convention in Cincinnati. Standing at left (l to r) are Miss Kathryn Sirc, Cleveland, the moderator; Miss Marie Louise La Noue, New Orleans, vice chairman, National credit women's executive committee; Miss Antoinette Rehrauer, Chicago, executive committee chairman, and Miss Marie Ferguson, secretary-treasurer.

of the NACM By-Laws was voted, providing for changes in the procedure for election of directors. The session also adopted a resolution calling for immediate steps to co-operate with the American Institute of Architects, The General Contractors Association, and others, toward "improved contracts and practices with major features such as speeding up inspections and acceptances of subcontractors' jobs and payments thereon, and a progressively decreasing amount of retainage."

#### Industry Meetings Excel

Four hundred or more credit executives and guest speakers participated in the 32 Industry Meetings which filled the Tuesday

schedule of the convention. Panels and open forums vied with programmed formal addresses, with practical problems out of company experience applying the theoretical of management operation. General chairman of the Industry Meetings was Edward Heine of H. A. Sensheimer Co., Cincinnati.

Only reference to the February issue would give a complete picture of the vast variety of subjects discussed. Merely to indicate the range of topics but with no intention to indicate relative importance of material presented, we mention the following:

"Transient Advertising," a panel with R. J. Holman, *Cleveland Press*, as moderator;

tor; "The Future—How Can the Automotive Industry Prepare for It?", Hal Miller, Womwell Automotive Parts, Inc., Lexington, Ky.; a Robert Morris Associates panel discussion of problems; field warehousing procedures; "What the Sales Manager Expects of the Credit Manager," by Louis J. Francisco, vice president and sales manager, the Formica Co., Cincinnati;

"Credit Ethics," a panel; "Role of Credit in Electronic Data Processing," C. A. Swanson, office methods and planning manager, The Procter & Gamble Co.; "The Credit Man of the Future," J. W. Trickett, director of training and development, Food Machinery Corp., San Francisco; "Bank Credit and the Business Cycle," William C. Rowe, vice president, Fifth Third Union Trust Co., Cincinnati; "Bust with Trust, or, Trust or Bust?", Ed Wimmer, vice president, Federation of Independent Business;

"The Credit Man Looks at the Capital Structure of a Corporation through the Eyes of a Stockbroker," Lawrence S. Fitzgerald, manager, Merrill Lynch, Pierce, Fenner & Beane, Cincinnati; "Credit Extension for New Enterprises," a panel; "Petroleum Credit Cards," a panel; "An Outsider Views Public Utilities Credit and Collection Policies," Prof. James G. Sheehan, University of Cincinnati.



PRESENTATION of the American Petroleum Credit Association's Scrolls for meritorious achievement, to recipients of Executive Awards of the Graduate Schools of Credit and Financial Management (second from right); Miss Helen R. Franklin (Dartmouth), assistant treasurer, Island Equipment Co., Long Island City, N.Y., and Milo Hefferlin (Stanford), mgr. int'l. banking dept., Bank of America N. T. & S. A., San Francisco. Making the presentations, at the Credit Congress in Cincinnati, is John P. McLaughlin, assistant treasurer and general credit manager of Richfield Oil Corp., Los Angeles, association president. On hand to congratulate the first credit woman to win the honor is Mrs. Lucy G. Kilmer, secretary-treasurer, Guarantee Specialty Mfg. Co., Cleveland, a trustee of the Credit Research Foundation and past National director.

#### Revealing Talk on ILO Wednesday

Following invocation by the Most Reverend Clarence G. Issenmann, auxiliary bishop of the Archdiocese of Cincinnati, members listened to a revealing study of the International Labor Organization by William L. McGrath, president, Williamson Co., Cincinnati. Mr. McGrath had just resigned from the board of governors of I.L.O. in protest against Communist influence in the organization. (See page 25.)

"Why Should a Credit Executive Call on Customers?" So many were the importantly practicable points brought out by the panel participants that the addresses will be presented in full in the August CFM issue. With Moderator Arthur F. Gerecke, manager of credits and adjustments, St. Louis Post-Dispatch and Stations KSD, KSD-TV, St. Louis, were speakers O. W. Hargel, vice president, Houston National Bank; J. H. Hilt, area credit manager, Alu-



AULD LANG SYNE, in the tradition of Credit Congresses, closes the Cincinnati convention. (l to r) NACM divisional vice presidents Ralph E. Brown, Marsh & McLennan, Inc., St. Louis, Central; Lester C. Scott, E. L. Bruce Co., Memphis, Southern, and J. Allen Walker (reelected), Standard Oil Co. of California, San Francisco, Western (these three in echelon); D. M. Messer, Dohrmann Co., Los Angeles, past president; C. Herbert Bradshaw, Bausch & Lomb, Rochester, past president; Mrs. Irwin Stumborg, First Lady-Elect; President and Mrs. Paul J. Viall, Chattanooga Medicine Company; and Irwin Stumborg, The Baldwin Piano Company, Cincinnati, NACM's new president.

minimum Company of America, Chicago; E. B. Gausby, secretary, Warner & Swasey Co., Cleveland; and J. H. Donovan, assistant treasurer, Jones & Laughlin Steel Corp., Pittsburgh.

A highlight of the convention was the anniversary luncheon tribute to Mr. Heimann's 25 years of executive leadership. Presiding was F. M. Hulbert, general credit manager, The Procter & Gamble Distributing Co., Cincinnati, and at a table fronting the speaker's rostrum sat past presidents of National. An album of letter-salutes to the honoree was presented by President Viall from the Association; a silver tray and goblet set, from the credit men, by Victor C. Eggerding, assistant treasurer, Gaylord Container Corp., Division of Crown-Zellerbach Corp., St. Louis, a past president of National; and a pen and pencil set from the Credit Women's Clubs, by Mrs. Lucy G. Killmer, secretary-treasurer, Guarantee Specialty Mfg. Co., Cleveland, past National director and past chairman of the National credit women's executive committee. Mr. Heimann traced the progress of the Association out of the problems confronting it at the time he took office and discussed the potentials of future expansion. (See pictures on pages 22 and 23).

#### Facts of Promise

In convention tradition Wednesday afternoon had no plenary session.

On Thursday morning, after the invocation by Rabbi Albert Goldman of Wise Center, Cincinnati, and more presentations of awards, the delegates heard Dr. Allen A. Stockdale, representing the National Association of Manufacturers. The former Toledo pastor, author of a volume of "Unconventional Prayers," interspersed statistics and homey incidents in discussing his topic, "The Businessman Looks Ahead." Among his forecasts were these: 1956 business on the whole will be 5 per cent better than 1955, despite a likely leveling off in the second half. By 1975 there will be 200 million people in this nation; \$12,000 will be required to implement each job; \$264 billions will "set the folks to work"; production will be at \$700 billions; the average annual income will be \$3,200.

#### A few Stockdalisms:

"The businessman who's afraid won't dare to look into the future . . . The next few years will call for salesmanship . . . Women spend 85 per cent of the family income . . . Character is growing. The 5 per cent of delinquent youths gets the newspaper headlines but there are 15 million good kids . . . Fifteen per cent of the public went to church in the days of the Puritans; 60 per cent goes to church today . . . Credit should be taught in the schools of the land so that people would be happy to pay their bills . . . If the world were finished you couldn't live in it."

#### Tribute to the Vialls

Came next the recognition of convention committees by S. J. Haider, NACM conven-

tion director (picture in Pictorial Section), presentation of certificates of merit by President Viall, and an invitation to the 61st Credit Congress, at Miami Beach May 12-16, 1957, by J. W. Crawford, credit manager, Railey-Milam, Inc., Miami, and president of the South Florida Unit, NACM.

The closing business session brought adoption of the report of the policy and resolutions committee, presented by Chairman James H. Donovan (printed in full on page 37), the report of the nominations committee by Chairman C. Herbert Bradshaw, and then the historic parades and hoorah of escorting the newly elected officers to the dais, under the ministrations of the grand marshal, C. M. Grimm, of Pollak Steel Co. Before the traditional "Auld Lang Syne" a silver set was presented to Mr. and Mrs. Viall.



SAY IT WITH SALES. President George L. Todd (right) of The Todd Company, with John S. Coleman (center), president of the Burroughs Corporation, parent company, looking on, is greeted by Fred E. Rudman (left) of Philadelphia, metropolitan manager, at the victory dinner following a "Tribute to George L. Todd" sales campaign.

# Credit Women's Groups, 2,600 Strong, Add 189 Association Members in Year

Membership in Credit Women's Groups continued to increase in the fiscal year just ended; more women are stepping into credit association directorships, and activity in education keeps pace with the growth trend. These were among highlights of reports to representatives of the 56 Credit Women's Groups at the sixtieth annual Credit Congress in Cincinnati.

Forty-five Groups obtained 189 new Association memberships. Winner of the NACM annual award for the largest percentage of new NACM memberships based on its number as of May the previous year was the Credit Women's Group of Oklahoma City, with a percentage gain of 178.6. The Dallas Wholesale Credit Women's Group was second, with 134 percentage increase.

## 66 Scholarships Awarded

Thirty-seven Credit Women's Groups awarded 66 scholarships, reported Antoinette Rehrauer, chairman of the National Credit Women's Executive Committee, who singled out for a salute these representatives of advances in education for management: Helen R. Frankle, assistant treasurer, Island Equipment Corporation, Long Island City, N.Y., recipient of the American Petroleum Credit Award for the best management study on completion last year of the courses of the NACM Graduate School of Credit and Financial Management, Dartmouth, and Evalyn Lightcap, of Chicago, also a graduate of the Dartmouth school.

Miss Blanche M. Renowden, RCA Victor Distributing Corporation, Buffalo, has been elected first vice president of the Credit Men's Association of Western New York, the first time in the history of the Buffalo Association that a woman has been elected to this office. Miss Kathryn Black, Alamo Iron Works, has been named treasurer of the Southwest Texas Wholesale Credit Men's Association, San Antonio.

There are 87 women now serving on the boards of directors of local Associations, reported Marie Ferguson, secretary-treasurer of the Credit Women's Groups of the National As-

sociation of Credit Men. Sixty-one women serve as chairmen of local Association committees, and 245 women are on Association committees, proof that membership in Credit Women's Groups develops better credit executives.

Through the efforts of Atley E. New, General Electric Supply Company, Atlanta, and Hilda Carlson, Iowa Concrete Block & Material Co., Des Moines, members of the national executive committee, two new Groups were organized, in Charlotte, N.C., and Cedar Rapids, Iowa.

Membership now exceeds 2,600, with much credit going to chairman Antoinette Rehrauer, of Peerless Confection Company, Chicago, and her three vice chairmen: Marie Louise La Noue, The Times-Picayune Publishing Company, New Orleans; Kathryn M. Sirc, Edgar A. Brown Inc., Cleveland; and Mrs. Beatrice Bateman, Franklin Ice Cream Company, Kansas City, Mo., and members of the executive committee. When organized in 1925, the Credit Women's Groups had 40 members.

A scroll listing the names of credit women responsible for the 189 new Association members was presented to outgoing NACM president Paul J. Viall, treasurer, The Chattanooga Medicine Co., Chattanooga, Tenn.

Miss La Noue was elected chairman of the national credit women's executive committee for the coming year.

## National's New Official Family →

ON the opposite page: the new executive family of the National Association of Credit Men, officers and directors for 1956-57. The president and four divisional vice presidents are also directors, and past presidents Paul J. Viall, C. Herbert Bradshaw, and D. M. Messer are advisory directors. Asterisk preceding name designates newly elected.

\*IRWIN STUMBOURG, N.A.C.M. President. Assistant Treasurer, Baldwin Piano Co., Cincinnati, Ohio.

\*RALPH E. BROWN, Vice President, Central Division. Vice President, Marsh & Mc Lennan, Inc., St. Louis, Mo.

\*JAMES H. DONOVAN, Vice President, East-

ern Division. Assistant Treasurer, Jones & Laughlin Steel Corp., Pittsburgh, Pa.

\*LESTER C. SCOTT, Vice President, Southern Division. Assistant Secretary and Credit Manager, E. L. Bruce Co., Memphis, Tenn.

J. ALLEN WALKER (reelected), Vice President, Western Division. General Credit Manager, Standard Oil Co. of California, San Francisco, Calif.

\*JOSEPH C. ACUFF, General Credit Manager, Butler Manufacturing Co., Kansas City, Mo.

JOHN QUINCY ADAMS, Vice President, Treasurer and Assistant Secretary, The Bessemer Limestone & Cement Co., Youngstown, Ohio.

THOMAS J. ADAMS, Vice President and Credit Manager, Times-Picayune Publishing Co., New Orleans, La.

\*ROBERT L. ALLEN, General Credit Manager, D. Ghirardelli Co., San Francisco, Calif.

\*VERN S. AMES, General Credit Manager, Kimberly-Clark Corp., Neenah, Wis.

PHILIP H. DAVENPORT, President, Southern Equipment & Supply Co., San Diego, Calif.

\*WILLIAM R. DUNN, General Credit Manager, General Foods Corp., White Plains, N.Y.

\*FRED J. FLOM, Supervisor-Credit and Adjustment Division, Sales Dept., The Detroit Edison Co., Detroit, Mich.

JAMES D. FORD, Assistant Vice President, Weirton Steel Co. Div. of National Steel Corp., Weirton, W. Va.

CARROLL M. FREDRICKSON, General Manager and Treasurer, Korsmeyer Co., Lincoln, Neb.

\*LELAND T. HADLEY, Assistant Secretary, Goodman Manufacturing Co., Chicago, Ill.

\*MISS ELMA HANSON, Credit Manager, Blake, Moffitt & Towne, Seattle, Wash.

OSCAR W. HARIGEL, Vice President, Houston National Bank, Houston, Tex.

W. LEROY HOUSE, Assistant Treasurer, Allison-Erwin Co. of Georgia, Atlanta, Ga.

\*RICHARD C. HUNT, Credit Manager, F. S. Harmon Mfg. Co., Tacoma, Wash.

F. M. HULBERT, Manager, Credit Division, The Procter & Gamble Dist. Co., Cincinnati, Ohio.

JAMES N. JONES, Treasurer, The Decatur & Hopkins Co., Boston, Mass.

LYSLE H. KOOGLE, President, Triangle Electric Supply Corp., El Paso, Tex.

CHARLES W. KROENER, Credit Manager, Southern Indiana Gas & Electric Co., Inc., Evansville, Ind.

LEONARD K. MORSE, Credit Manager, Bridgeport Brass Co., Bridgeport, Conn.

\*RAYMOND A. PEAR, Credit Manager, The Pfaudler Co., Rochester, N. Y.

HARRY C. PFOST, Divisional Credit Manager, Simmons Co., Elizabeth, N.J.

\*STEPHEN F. SAYER, Vice President, The First Pennsylvania Banking & Trust Co., Philadelphia, Pa.

\*GILBERT W. SITES, Credit Manager, The Times-Mirror Co., Los Angeles, Calif.

CLARENCE J. SWALEN, Secretary-Treasurer, Pako Corp., Minneapolis, Minn.

JAMES F. WELSH, Secretary, McCormick & Co., Inc., Baltimore, Md.

ELLIS C. WHEELER, Treasurer, Salt Lake Hardware Co., Salt Lake City, Utah.

# N. A. C. M. Officers and Directors Named at Congress in Cincinnati



IRWIN STUMBORG  
President



R. E. BROWN  
V. P. Central Div.



J. H. DONOVAN  
V. P. Eastern Div.



L. C. SCOTT  
V. P. Southern Div.



J. A. WALKER  
V. P. Western Div.



H. H. HEIMANN  
Executive V. P.



E. B. MORAN  
Vice Pres.



P. J. VIALL  
Immediate Past Pres.



C. H. BRADSHAW  
Past President



D. M. MESSER  
Past President



S. J. HAIDER  
Vice Pres.



MISS R. E. HOCOTOR  
Treasurer



P. J. GRAY  
Secretary



MRS. WOODRUFF  
Asst. Treas.



J. C. ACUFF



J. Q. ADAMS



T. J. ADAMS



R. L. ALLEN



VERN S. AMES



P. H. DAVENPORT



W. R. DUNN



F. J. FLOM



J. D. FORD



C. FREDRICKSON



L. T. HADLEY



ELMA HANSON



O. W. HARIGEL



W. L. HOUSE



F. M. HULBERT



R. C. HUNT



J. N. JONES



L. H. KOOGLE



C. W. KROENER



L. K. MORSE



R. A. PEAR



H. C. PPOST



S. F. SAYER



G. W. SITES



C. J. SWALEN



J. F. WELSH



E. C. WHEELER

# Good Year, President Viall Reports

*The national committees, board of directors and officers, and National staff have indispensable functions in giving national expression to the underlying strength of the National Association of Credit Men, but leadership for that level is derived from the local associations, "and we are no stronger in any market than the strength of the association serving it," President Paul J. Viall told the 60th Annual Credit Congress, in Cincinnati, in his report of the year's activities, "which support the assurance I give you that we have had a good year."*

## Finances

Our budget has again been balanced—the auditors' report shows a surplus in spite of continuously increasing costs.

## Membership

We have concluded the year with a membership of 34,601, which represents a net gain of 715. It is the largest membership total in the Association's history and I must express a special thanks to all local and national committeemen and staff personnel who have made this splendid progress possible.

## Legislation

In this off-year of state legislatures, activity has been concentrated on improvements in the Bankruptcy Act. A bill to limit tax priorities in bankruptcy cases was recently introduced in Congress by Honorable Carroll Reece of Tennessee. We have aggressively sought action on two bills to provide more efficient bankruptcy administration by allowing more realistic levels of compensation for referees and trustees. We are now trying to tighten up Criminal Code provisions relating to concealed assets, and to frame general recommendations to the courts to bring about more uniformity in bankruptcy administration and practice.

Along other lines, we have urged reduction of the public debt and an end to prolonged budgetary deficits and wasteful Federal spending, both by direct statements to Congress and by NACM support of the Hoover Commission recommendations. We have also sought various amendments to the tax laws to make them less discriminatory. We have opposed higher postal rates. We have sought adequate bonding provisions in the new Federal Highway Act.

We have successfully opposed an unfavorable bonding bill in Virginia and won enactment of an amendment to the Georgia Lien Law to afford more protection to materialmen in that state. Improvements to the Texas Lien Laws are now being sought by our members there. Our fight for par clearance of bank checks continues and will grow as the 1957 legislative sessions approach.

By PAUL J. VIALL

Treasurer

Chattanooga Medicine Company  
Chattanooga, Tennessee



## Educational

The Credit Research Foundation is responsible for our educational and business research activities. It continues to make careful, sound progress. Its purposes are:

- (1) Through research, to discover, develop and disseminate better ways of administering the management of the credit function, and
- (2) Through education to assist credit management at every level to live up to its responsibilities more effectively.

In research, the major project continues to be the Credit Management Handbook on which steady progress is being made. There are now more than 60 people, all experienced, practical credit executives, engaged in the preparation of the Handbook.

A new study on the compensation of credit executives is just about complete.

The series of Foundation reports is being well received.

The base of our educational structure is the National Institute of Credit. Its enrollment indicates growing interest among prospective and beginning credit personnel.

The Graduate Schools at Dartmouth and Stanford were filled this year earlier than they have ever been before. Independent appraisals of our Graduate School activity place it among the finest in the nation, particularly because of its personal attention to the participants and its high standards.

The Credit Management Workshop program, the Foundation's "road show," has found magnificent acceptance among the topmost credit and financial executives.

The Foundation is a very young activity when compared to our Association's history. In its slightly more than seven years, it has made excellent progress.

## Fraud Prevention

The protection of honest commerce is the Fraud Prevention Department's goal. The effectiveness of this membership serv-

ice is reflected in the 1,800 convictions obtained, out of 3,000 indictments, from a total of 4,000 investigations. Millions of dollars have been recovered for creditors, but many more have been saved to business by the effect of these convictions in deterring countless others from preying upon legitimate trade.

## Credit and Financial Management

Our national magazine adopted a new dress, as well as several new features which have been well received. Growing volume of advertising indicates that more pages may soon be warranted. We have benefited from splendid contributions by members, especially in the symposiums, panels-in-print, and practical problems of credit and financial management. I am proud of this fine journal.

## Women's Groups

There now are Credit Women's Groups in 56 cities, with over 2,600 members. There are new groups at Charlotte, N. C., and Cedar Rapids, Iowa. These credit women have contributed splendidly to the objectives of our Association, as well as to increased membership and improved educational programs. There are 87 women now serving on the boards of local associations and 61 more serving as chairmen of committees.

## Credit Manual of Commercial Laws

The 1956 Credit Manual of Commercial Laws was completely sold out within 60 days following publication. That record-breaking accomplishment speaks for itself. The revised and enlarged 1957 edition of the Credit Manual is now under way.

## Committees on Cooperation With Other Organizations

Continued aggressive activities and continued progress can be reported in these areas of activity.

The NACM and Robert Morris Associates' cooperating committees have completed an excellent set of recommendations for the exchange of credit information between the banks and mercantile credit executives. It was presented in the March edition of *Credit and Financial Management* magazine.

Our Committee on Cooperation with the Accounting Groups has held conferences on educational and legislative matters and accounting practices with mutual benefit.

## Henry Heimann's Monthly Letter

The Monthly Business Review by our executive vice president is one of the most widely publicized and quoted reviews in the nation. The regular mailing of 35,000 monthly to members is often exceeded by the number of extra copies and authorized

(Concluded on page 38)

*Summarizing the resolutions adopted by the 60th Annual Credit Congress of the National Association of Credit Men, in Cincinnati, May 14th and 17th.*

**1** WHEREAS the construction industry and the financing thereof is of such vital importance in the economy of the United States; and in the existing practice generally observed in the construction industry by law or by contract, a 10 or 15 per cent retainage is made by the general contractor in settlements to sub-contractors and material men; and said retainages are in some cases made for an excessive length of time and in amounts not justified by the unfinished portions of the work; and such delays are oftentimes caused only by observance of technical wording of the contracts and by failure to secure prompt and proper inspections necessary under the contract, or prompt and proper action toward acceptance of the project by the owners;

BE IT RESOLVED that the National Association of Credit Men take immediate steps toward working fully and cooperatively with the American Institute of Architects, The General Contractors Association, and any and all other organizations or individuals interested in a revision of statutes,

**4** We urge Government authorities that they accelerate the moves to halt deficit spending and mounting indebtedness at all levels, to initiate rigid economies in order to permit reduction of the heavy tax burden on individuals and business, to restore the sound dollar and to encourage thrift as a basic principle of Government.

**5** We respectfully request that the President and the Congress make effective the recommendations of the Hoover Commission to eliminate waste in Government, to speed the reduction of Federal competition with private business, to effect a unified supply system for the Armed Forces, to simplify Government paperwork and property management, and to put Government budgetary and accounting procedures on a more efficient basis.

**6** Suppliers on public works should be protected by adequate surety bonds guaranteeing payment. We endorse the recommendation of the National Insurance Committee and Advisory Council that: (1) in recognition of the proven security afforded materialmen and others by surety bonds under the Federal Miller Act, our position be reaffirmed to Congress; (2) that funds allocated under the Federal

Conference of the United States, the Administrative Office of the United States Courts, and the National Bankruptcy Conference. (Bill passed, and signed May 28 —Ed.)<sup>2</sup>

**10** Many members of this Association have been gathered to their Heavenly Home in the past twelve months. In bespeaking our loss to the bereaved we pay tribute to their loyalty and devotion to the high moral principles which they ever applied to their activities in the marts of trade.

**11** We reaffirm our appeal that all affiliated Associations, as units and through their individual members, should accelerate their efforts in urging the clearance of bank checks at full face value.

**12** Each member of this Association pledges in all operations the fullest adherence to the Canons of Ethics as revised this year and approved by the National Board of Directors.

**13** We thank each member of the many committees who gave so much of time and effort in making this 60th Annual Credit Congress a signal achievement, rich in contributions to credit. You have

## Resolutions Adopted for 1956-57

codes, contracts, and general practices which will lead toward improved contracts and practices with major features such as speeding up inspections and acceptances of sub-contractors' jobs and payments thereon, and a progressively decreasing amount of retainage. It is fully understood that this is a cooperative and continuing program to study and seek solutions for all phases of this problem in an effort to benefit all persons in the construction industry.

**2** Be it Resolved, by the 60th Annual Credit Congress, in Cincinnati assembled, that the National Association of Credit Men establish a National Public Relations Committee, to coordinate the work of similar Public Relations Committees existing in, or which we urge be established by, all affiliated Associations, to bring to the attention of Management the important contributions being made by credit executives and their departments as vital sales and profit building factors in industry and commerce.

**3** The Statement of Principles in the Exchange of Credit Information between Banks and Mercantile Concerns, adopted jointly by the boards of directors of the National Association of Credit Men and the Robert Morris Associates, represents a significant achievement in advancement of professional ethics. We pledge ourselves individually to conduct our operations in complete conformity with the Statement of Principles and the fundamentals of Confidence and Considerateness upon which the Statement rests.

Highway Act of 1956 be expended only so as to guarantee surety bond protection under the Act; and (3) that whenever necessary the Association urge such protection to the proper state highway or other authorities under whose direction this Act may be implemented.

**7** The United States Criminal Code and the National Bankruptcy Act should be amended to state clearly that, if it shall be shown that a bankrupt has withdrawn funds in other than the regular course of business, or that there is a shortage in the bankrupt's assets unaccounted for on his books and records, a presumption shall arise and be effective against such bankrupt that such funds or assets are in his possession, unless the bankrupt shall explain such withdrawal or shortage to the satisfaction of the Court.

**8** Inequities arise from the unlimited exception now accorded Federal, State and local taxes against insolvent debtors from discharge in bankruptcy and from the unlimited priorities which are now accorded such taxes over the claims of other creditors. We urge the Congress to enact legislation whereby all such taxes which become legally due and payable prior to one year before bankruptcy will be accorded equal treatment with the claims of general creditors and be discharged on the discharge of the bankrupt.

**9** We urge that the Congress enact legislation according increases in maximum allowances for trustees in bankruptcy, to the extent recommended by the Judicial

made our stay in Cincinnati an event to be treasured in memory.

Our special thanks to the following:

(a) To Irwin Stumborg, general chairman of the Convention committees; to William B. Behrens, president of the Cincinnati Association of Credit Men and chairman of the entertainment committee; to vice general chairmen M. H. Anderson, P. W. Cutshall, L. J. Gruber and F. M. Hulbert; to Edward Heine, Industry meetings chairman; to Harry W. Voss, secretary of the Cincinnati Association of Credit Men, and secretary to the Convention Executive Committee; to Mrs. Loretta Johnston and her committees;

(b) To the hostess committee members, chairwoman by Mrs. Irwin Stumborg, for their gracious entertainment of our wives and daughters;

(c) To the Robert Morris Associates for their outstanding part in the Convention;

(d) To the newspapers of Cincinnati—the Enquirer, the Times-Star, The Post, and other publications; to the Associated Press, United Press, International News; to the Wall Street Journal, the Journal of Commerce, to Radio Station WLW; and to others, for their full and accurate reporting of the Convention.

**14** This 60th Annual Credit Congress extends its warm appreciation to Henry H. Heimann, Executive Vice President of the National Association of Credit Men, on this occasion of his twenty-fifth anniversary as executive leader of the National and for his years of devoted service

*(Concluded on next page, column 1)*

to all our Associations and to advancement of the credit profession. We further extend our cordial best wishes for continued good health and many more years of service and leadership.

JAMES H. DONOVAN  
Jones & Laughlin Steel Corporation  
Pittsburgh

Members: W. LeRoy House, Allison-Erwin Co., Atlanta; James N. Jones, The Decatur and Hopkins Co., Boston; and C. K. Kuehne, The H. D. Lee Co., South Bend. Secretary, E. A. Rovelstad, N.A.C.M., New York.

### President Viall's Report To the Credit Congress (Concluded from page 36)

reprints. Mr. Heimann's keen analysis of current trends and economic conditions constitutes a great value and benefit of membership.

#### Forms

A spectacular increase in the sales volume of NACM Financial Statement Forms gives evidence of members' appreciation of the advantage of using these nationally-recognized forms. Three new forms introduced included (1) Business Review form, (2) New Account Review, and (3) Confidential Credit Application form. I commend them to your attention.

#### Credit Interchange

One of our most vital services, Credit Interchange has gained in membership and has written more reports for members than at any other time in its history. Several new Bureaus have been added to the National clearance system in this past year. Forward steps have been undertaken to obtain greater completeness of reports and faster clearances. On April first, important changes of operation were inaugurated, directed to greater efficiency of service benefits to the membership.

#### Collection Service

Facilities are provided by more than 60 local Bureaus. Thoroughly coordinated and supervised by the National department,

they handle tens of millions of dollars of delinquent accounts with dispatch, economy and efficiency for members. Schools of training for managers and department personnel were held this year and a manual of operations was developed.

#### Adjustment Service

Adjustments and estate administration account for several hundred businesses having been rehabilitated. More than 1,000 cases are now being handled by our Bureaus.

#### Industry Groups

Credit Groups are operated by over 100 of our local associations. There are about 1,200 of these industry credit groups, each meeting at least once a month, serving over 60 per cent of our entire membership, and providing one of our best facilities of helpfulness to members in their daily credit problems.

#### Foreign Interchange And Services

This Bureau has completed another year of outstanding service to those Association members who are engaged in international trade. Membership has been well maintained and all departments of the Bureau have functioned efficiently throughout the year. The foreign reports, the Weekly Bulletins, the monthly Group and Round Table sessions and the Moral Suasion and Consultation services rendered by the Bureau have all proved most valuable.

#### Insurance

Our Insurance Committee and Advisory Council has rendered constructive advisory service, not only on insurance coverage but in educational programs, providing speakers for Association and group meetings, and editorial counsel for membership benefit.

#### Canons of Commercial Ethics

I compliment our committee on revision and modernizing of our Canons of Commercial Ethics. These up-to-date canons were printed in the May, 1956, edition of our National magazine and the 3-color form deserves a place of honor in every member's office.

#### Conclusion

Our National staff is efficient and effective. Some personnel changes in the year have further strengthened your National office for even greater future service. My personal appreciation goes to one and all, as well as the National board, all local officers, directors and committeemen, who have contributed so unselfishly and loyally to the betterment of our Association.

The scope of responsibility of the credit and financial executive is growing constantly, and it is vitally important that credit management be thoroughly and effectively integrated with the marketing and distribution system.

The credit executive who wishes to move forward must, whether he desires or not, broaden his horizon and think in terms of increased profitable distribution.

Let us not allow our broadening responsibilities in financial and credit control to lessen our awareness of the opportunities of our coordination with all marketing and selling programs of our concerns, by originality, by credit creativity, by increased interest and greater persuasiveness, and more skillful use of all the Credit Association activities and benefits.

I acknowledge a very great debt of gratitude to the National board of directors, the National staff, the Secretarial Council, the National committees and to the local secretary-managers and their organizations.

#### H. A. Tipper, Syracuse, Dies; Bank Officer, Unit Director

Howard A. Tipper, vice president, First Trust & Deposit Company, Syracuse, N.Y., died unexpectedly at the age of 60. Mr. Tipper began his career as a bank messenger and for many years had specialized in credit. He had been a director of the Syracuse Association of Credit Men, and a vice president of the Rochester and Central New York Chapter of Robert Morris Associates.

#### P. C. Hunt Elected

Percy C. Hunt, divisional credit manager, Cannon Mills, Inc., New York City, has been elected president of the New York Institute of Credit. Mr. Hunt is a Fellow of the Institute.



ZEBRA OFFICIALS in business session at the Cincinnati Congress. (l to r) Paul Taggart, Grand Zembrayer, The Credit Association of Western Pennsylvania, Pittsburgh; Frank J. Hohman, Grand Zembrayer, C.A.W.P., Pittsburgh; A. G. Keller, Grand Exalted Superzeb, vice president, Mellon National Bank and Trust Co., Pittsburgh; Millard French, Vice Grand Exalted Superzeb and South Central Ranger, E. L. Mercere, Inc., Memphis; Henry J. Yost, Atlantic Ranger, Vernon R. Taylor, Pittsburgh; and E. F. Gueble, Pacific Ranger, Garrett Supply Co., Los Angeles.

## Toledo Unit, Valley Conference Host, Is Feting Golden Year

Toledo, where the National Association of Credit Men was organized in 1896 and the Toledo Association of Credit Men came into being just ten years later, is to be the site of the Ohio Valley Regional Credit Conference October 25th and 26th. The Toledo association, observing its golden anniversary, will be host to participating associations from Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.

"The Forward Look in Credit" is the conference theme and scheduled guest speakers include Henry H. Heimann, executive vice president, National Association of Credit Men; Paul Block, Jr., publisher, *Toledo Blade*; Paul McCracken, University of Michigan Graduate School, and Dr. Charles E. Irvin, professor of speech and communications skills, Michigan State University. Ten industry group meetings are scheduled. Convention co-chairmen J. W. Marsteller, credit manager, The DeVilbiss Company, and Norbert M. Scharf, manager, credits and collections, Toledo Edison Company, are both past presidents of the Toledo association.

A world trade conference sponsored by the Toledo Chamber of Commerce October 24th, the day preceding the opening of the Ohio Valley credit conference, will attract interested credit executives.

## Hauge Addresses St. Louis Unit At 60th Anniversary Banquet

Dr. Gabriel Hauge, administrative assistant to the President of the United States for economic affairs, and architect of an economic philosophy described as dynamic conservatism, was principal speaker at the 60th anniversary banquet of the St. Louis Association of Credit Men. A proclamation issued by Mayor Raymond R. Tucker designated the Association's anniversary as "Credit Managers' Week" in St. Louis "in grateful appreciation of this fine organization's outstanding contributions to the progress and prosperity of our city, state and nation." Twenty-four past presidents were among the honored guests.

A proponent of free markets and private initiative, the use of indirect rather than direct government controls, Dr. Hauge in his talk, "The

President's Economics," pointed out the fundamental viewpoints which underly the outlook on economic policy of the President and his "team."

Association president A. F. Gerecke noted that in contrast to the United States, "in foreign lands where advertising, merchandising and credit are dwarfed sales volume and production capacities comparable to ours are unknown." Mr. Gerecke is manager of the credit and adjustment departments, Pulitzer Publishing Company, St. Louis *Post-Dispatch* and Stations KSD and KSD-TV. J. F. Schofield is secretary-manager of the St. Louis association.

## Public Relations Review

In its initial issue, *pr*, quarterly review of public relations, presents an analysis of newspaper clippings and an article by Elmo Roper on reaching the general public. A publication of the American Public Relations Association, Washington, D.C., Howard P. Hudson is editor.

## A. J. Pugliese Dies

Arthur J. Pugliese, credit manager, Acme Cotton Products Company, Inc., New York City, died after a brief illness. He was a member of the Drug and Chemical Export club, Foreign Credit Interchange Bureau, NACM.

## Controllers Name 11 Financial Executives to Their Board

The Controllers Institute of America, at its Midwestern Conference, named to its board these financial executives: E. W. Weston, Weston Paper & Manufacturing Co., Dayton; L. W. Bennett, Sunray Mid-Continent Oil Co., Tulsa; C. M. Blumenschein, Container Corporation of America, and J. D. W. Wright, International Harvester Co., both Chicago; C. H. Clifford, Albany (N.Y.) Felt Co.; G. E. Hallett, Tung-Sol Electric, Inc., Newark; E. L. Hamilton, Canadian Industries, Ltd., Montreal; C. C. Lay, The Wheland Co., Chattanooga; W. T. McGillivray, California Package Corp., San Francisco; E. R. Uhlig, Glenn L. Martin Co., Baltimore; and J. O. Yeasting, Boeing Airplane Co., Seattle.

## Max Adamsky, FCIB Chairman, 50 Years with Andrews Company

Fifty years ago Max Adamsky started with D. C. Andrews & Company, Inc., New York, freight forwarders and customs house brokers, at the munificent salary of four dollars a week. He now is secretary of the company and also is chairman of the administrative committee of the Foreign Credit Interchange Bureau, NACM. This year Mr. and Mrs. Adamsky celebrate their fortieth wedding anniversary.



\$63,500,000 CHECK, initial "take down" on a \$80 millions revolving credit agreement between Mack Trucks, Inc., and 48 banks headed by Bankers Trust Company, New York, as agent, is presented to P. O. Peterson (left), president of Mack Trucks, by Alex H. Ardrey, executive vice president of Bankers Trust Company.

## CALENDAR OF EVENTS IMPORTANT TO CREDIT

### STANFORD, CALIFORNIA

July 8-21

Stanford University Session of the N.A.C.M. Graduate School of Credit and Financial Management.

### HANOVER, NEW HAMPSHIRE

August 5-18

Dartmouth College Session of the N.A.C.M. Graduate School of Credit and Financial Management.

### BRAINERD, MINNESOTA

(Pelican Lake)

September 6-7-8

North Central Credit Conference, including Minnesota, North Dakota and Winnipeg

### SAN FRANCISCO, CALIFORNIA

September 6-7-8

NACM, Western Division Annual Secretary-Managers Conference

### SOUTH BEND, INDIANA

September 14

Indiana and Southern Michigan Credit Conference

### CLEVELAND, OHIO

September 17-18-19

Credit Management Workshop

### WATERLOO, IOWA

September 19-20-21

Tri-State Credit Conference, comprised of Iowa, Nebraska and South Dakota

### HARRIMAN, NEW YORK

October 1-2-3

Credit Management Workshop

### FOND DU LAC, WISCONSIN

October 9

Wisconsin—Upper Michigan Annual Credit and Business Conference

### SAN FRANCISCO, CALIFORNIA

October 14, 15, 16, 17

Robert Morris Associates Annual Fall Conference

### ST. LOUIS, MISSOURI

October 17-18-19

Tri-State Annual Credit Conference, including Kansas, Missouri and Southern and Western Illinois.

### ROCHESTER, NEW YORK

October 18-19-20

Tri-State Conference, including New York State, New Jersey and Eastern Pennsylvania

### PROVIDENCE, RHODE ISLAND

October 24-25

Annual New England District Credit Conference, covering Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

### LOS ANGELES, CALIFORNIA

October 25-26

Pacific Southwest Annual Credit Conference

### TOLEDO, OHIO

October 25-26

Ohio Valley Regional Conference, covering Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.

### TOLEDO, OHIO

October 26-27-28

Midwest Credit Women's Conference

### HOUSTON, TEXAS

November 8-9-10

First Southern Division Credit Conference of the National Association of Credit Men

### PORTLAND, OREGON

March 20-21-22, 1957

Annual Northwest Credit Conference

### MIAMI BEACH, FLORIDA

May 12-16, 1957

61st Annual Credit Congress and Convention, National Association of Credit Men

### Expand Educational Program: Stumborg

(Concluded from page 15)

posted on changes of trends in credit and business generally.

"To bring credit management to a top-rung position in business will take the combined efforts of all people in credit work, both to provide the maximum high service the office can and should give and then to 'sell' top management on the full value of credit management to employer and business. When top management realizes that the credit executive is as important to the company and employer as the company attorney or accountancy executive, then some day a professional status will be reached."

Of education: "Further expansion of educational programs should be achieved, so that all persons entering credit work can take advantage of the opportunities, obtain a better knowledge of their function and so develop for greater service to their employers. With the widened service should come top management team status."

Of the future: "The credit executive will have greater responsibilities in the future and must be in a position to serve his company's customers as a business councillor."

A large order, yes, but from a man who makes vision work.

### Biological vs. Chronological

BECAUSE of the advancement in the natural sciences, the age group reaching 60 today "may very well be biologically equivalent to the 45-year-old group of the beginning of the century," but, due to prevailing age standards in industry and community, "those whose lengthened life span has resulted from the progress of science and civilization have become victims of that progress," says the Occupational Health Institute.

In the "battle" between the chronological and physiological standards, "flexible retirement is feasible if more health examinations are provided."

# ON THE Personal Side

**HAROLD GORDON** has been named credit manager, The Gruen Watch Company, New York City, to which the credit offices have been moved from Cincinnati. Mr. Gordon, a graduate of the City College of New York, has been a public accountant with Agrin, Lawson & Holland, CPA's, and with Richard Polumbaum Company. With Brunner-Ritter, Inc. he was office and credit manager.

**ROLAND A. LARSON** has been advanced to credit manager, American Seating Company, Grand Rapids, Mich. He succeeds William H. Maurer, who has retired after more than 53 years with the company, 34 of them as credit manager. A graduate of Iowa State College with the B.S. degree in industrial economics, Mr. Larson had been for 10 years credit analyst with Continental Illinois National Bank & Trust Company of Chicago before joining American Seating as assistant credit manager in May 1950.

Mr. Maurer, senior employee in point of service, began with the company when it was known as the American School Furniture Company, with general offices in Chicago. He is a past president of the Grand Rapids Association of Credit Men.

Promoted at Crane Company, Chicago, to assistant treasurers: **NORMAN I. PICKLES** and **ROBERT F. McDONALD**. Mr. Pickles began with the firm

in 1941 as assistant credit manager at Philadelphia. He advanced to credit manager in 1946, served in variously located offices, and became regional, then general credit manager in 1955.

Mr. McDonald began with Crane in 1948 as a member of the budget control division, Chicago. He became manager of the sales analysis department in 1950 and has worked in both the control and finance divisions.

**E. B. COOPER** has been advanced to general credit manager of Marshall-Wells Company, wholesale hardware organization which has 14 branches from the Great Lakes to the Coast. He had been credit manager of the Portland, Ore., branch since 1936 and will continue to have his office in that city. A past president and a director of the Portland Association of Credit Men, Mr. Cooper began with his company in 1915.

C. W. Carlile, a former assistant to Mr. Cooper and most recently credit manager at Spokane, succeeds Mr. Cooper as Portland credit manager.

**MARTIN MANDLER** has been named to the executive staff of Walter E. Heller & Company, Chicago. In this post he will help direct client services in the firm's accounts receivable operations. Mr. Mandler is a member of the DePaul University commerce school faculty.

**WARD L. BERRY**, treasurer of Ward Leonard Electric Company, Mount Vernon, N. Y., has been appointed president of D. M. Fraser, Ltd., of Toronto, Canada, recently acquired by Ward Leonard as a wholly owned subsidiary. Mr. Berry, a member of the Electrical Manufacturers Credit Group, New York Credit Interchange Bureau, and for several years a member of its executive committee, retains



R. F. McDONALD



N. I. PICKLES



E. B. COOPER



MARTIN MANDLER

his position as treasurer of the parent company.

Bernard M. Gilligan, assistant credit manager of Ward Leonard, has additionally been named assistant treasurer. A graduate of Iona College, with a B.B.A. in finance, he began with the company in 1937.

**GEORGE BAILEY** has become general manager, North State Electric Supply Company, San Francisco. He previously was credit manager of California Electric Supply Co. and Westinghouse Electric Supply Co.

Motorola Finance Corporation, recently formed subsidiary of Motorola Inc., has named **EDWARD J. HARTY** as controller, and **HENRY KLEINHANS** general credit manager. They previously had been chief accountant and credit manager, respectively, of the parent company. E. P. Vanderwicken, vice president and treasurer of Motorola Inc., is president and treasurer of the new finance company.

**GEORGE SCHMIDLIN, JR.**, has been advanced to general credit executive from senior credit manager, of Trailmobile, Cincinnati.

**CHESTER E. WEGER**, controller since 1945, has been elected to the board of Cities Service Company, New York. Mr. Weger is a vice president and director of Cities Service Refining Corporation, also holds office in several other member companies of the Cities Service system. He began with the organization in 1916 as a cadet engineer.



HAROLD GORDON



R. A. LARSON



# Reports from the Field

NEW ORLEANS, LA.—George H. Menefee, chairman, casualty and surety division, Louisiana Insurance Rating Commission, was guest speaker at the luncheon meeting of the New Orleans Credit Men's Association.

CINCINNATI, OHIO—Laws pertaining to consumer credit were examined by Daniel W. Davies, attorney, and pension and profit-sharing plans were discussed by J. A. Segal, attorney of the firm of Paxton & Seasongood, at successive luncheon meetings of the Cincinnati Association of Credit Men.

BRIDGEPORT, CONN.—"The Philosophy of Credit in General Foods Corporation" was the subject of William R. Dunn, general credit manager of the company, at the meeting of the Bridgeport Association of Credit Men. Mr. Dunn is past president of the New York Credit & Financial Management Association and currently a director in the National Association of Credit Men.

Frederick F. Robinson, CPA, Danbury, received a certificate of merit at the annual meeting. While Mr. Robinson was president of the association the membership increase was the highest of any year in the unit's history. The certificate was presented by retiring president, John M. Ray, Bridgeport Engravers Supply Co.



MISS SEELY  
Photo Bradford Bachrach

BOSTON, MASS.—Miss Louise Seely, assistant treasurer and corporator, Charlestown Savings Bank, Boston, discussed "Savings Bank Services for You" at the annual meeting of the Boston Chapter, National Institute of Credit. Miss Seely is a past president of the Savings Bank Women of Massachusetts and has been regional vice president, National Association of Bank Women. Roland J. Malmquist, assistant vice president, Norfolk County Trust Co., addressed a previous meeting of the chapter on "Banking in Instalment Credit."

PEORIA, ILL.—"The Farm Outlook" was the topic of county farm adviser Earl Bantz at the meeting of the Peoria Association of Wholesale Credit Men.

SAN FRANCISCO, CALIF.—Mayor George T. Christopher, of the City of San Francisco, was annual meeting keynote speaker for the Credit Managers Association of Northern and Central California. His theme, "Future Planning for San Francisco," included an appraisal of the city's credit standing.

CHARLESTON, W. VA.—Frank Shaffer, promotion manager, *Daily Mail*, was guest speaker at the regular meeting of the Charleston Association of Credit Men.

GRAND RAPIDS, MICH.—A "new look" at the credit profession provided the opportunity for an analysis of techniques and functions by Leonard R. Prinsze, credit manager, Corduroy Rubber Co., and a past president of the association, at the meeting of NACM (Western Michigan) Inc.

"Forgotten Elements in Human Relations," from the office supervisor's point of view, was the topic of Clark C. Caskey, manager, research and employment department, Employers' Association, at a subsequent noon meeting of the association.

TOLEDO, OHIO—Henry H. Heimann, executive vice president, National Association of Credit Men, was dinner speaker at the 50th anniversary dinner of The Toledo Association of Credit Men. Mr. Heimann noted that the first National Credit Congress was held in Toledo.

GREENFIELD, MASS.—Philip J. Gray, secretary, National Association of Credit Men and director of the foreign department, discussed the significance of world trade at the meeting of the Western Massachusetts Association of Credit Executives.

## With the Women's Groups

BINGHAMTON, N.Y.—Ralph Suydam, manager, Hotel Frederick Endicott, was guest speaker at the regular meeting of the Triple Cities Credit Women's Club, in Endicott.

PITTSBURGH, PA.—"U.S. Department of Commerce Serves Business" was the topic of C. A. Carpenter, manager, Pittsburgh field office of the Department, at the Pittsburgh Credit Women's Group meeting. Following the talk, there was a discussion on "Credit Problems in Smaller Companies," led by P. O. Eitel, Fort Pitt Chair & Furniture Co.

DALLAS, TEXAS—Wilson Johnston, assistant district attorney, had as his topic "Law Enforcement, Your Business and Mine," in his address before the Dallas Wholesale Credit Women's Group.

CINCINNATI, OHIO.—"What Constitutes a Good Credit Department" was the theme of a panel discussion held by the Women's Group of the Cincinnati Association of Credit Men. Herbert F. Koch, acting professor of business administration, University of Cincinnati, former bank officer, was principal speaker on Bosses Night.

PORTLAND, ORE.—"The Importance of Making a Will" was the subject of E. R. Linville, trust officer of the First National Bank, at the dinner meeting of the Credit Women's Group of the Portland Association of Credit Men.

ST. LOUIS, MO.—Top Management Night was inspiration for the program theme "The American Economy," a discussion of the growth of our economic system from 1896, at the meeting of the Credit Women's Club of St. Louis. Speaker-representatives for their industries were: (Food) A. P. Brigham, credit manager, Pet Milk Co., St. Louis; (Insurance) R. E. Brown, vice president, Marsh & McLennan, St. Louis; (Steel) R. W. Durrett, assistant treasurer, Sheffield Steel Div., Armco Steel Corp., Kansas City; (Banking) C. A. Hemminger, director of advertising and public relations, First National Bank in St. Louis.

PHILADELPHIA, PA.—Frederick L. Newton, of the Philadelphia National Bank, trust department, spoke before the Philadelphia Credit Women's Club on the subject "When There's a Will, There's a Way." Successive meeting themes were income taxes, discussed by Edward Habermehl, of Lybrand, Ross Bros. & Montgomery, and insurance coverage, outlined by John A. Tiff, of Tiff, Layer & Co.

DES MOINES, IOWA—Nancy Gould, credit manager, Western Tool & Stamping Co., Des Moines, member NACM Graduate School of Credit & Financial Management (Stanford '57), addressed the Credit Women's Club of the NACM Central Iowa Unit.

LOS ANGELES, CALIF.—"What Management Expects from the Credit Department" was the topic of William I. Parke, treasurer of Virtue Bros., Los Angeles, at the meeting of the Credit Women's Club of the Credit Managers Association of Southern California.

## Are Your Credit Files Up to Date?

## Here is a Simple Statement Form for Getting Credit Information from Small Accounts

It was designed to fill the demand for a Financial Statement Form to be sent to small business customers. This new Number 10 Form has been so laid out that the one man store or service agency that uses an accounting system can easily fill it out and give a complete picture of his business operation.

BALANCE SHEET — OPERATING STATEMENT — INSURANCE COVERAGE — SOURCES OF SUPPLY—all of these important items are listed in logical order.

The spacing is open so that it may be filled out in ink or on a typewriter. The type is clear and easily read.

The facts as presented in this new Number 10 Form give the Credit Analyst a complete picture of those two important "C's"—CAPACITY and CAPITAL.

Form No. 10

This Form Approved and Published by THE NATIONAL ASSOCIATION OF CREDIT MEN

FINANCIAL STATEMENT OF

DATE \_\_\_\_\_

FIRM NAME: \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

At close of business on \_\_\_\_\_ 19 \_\_\_\_\_ State \_\_\_\_\_

ISSUED TO \_\_\_\_\_

←(B) NAME OF FIRM  
Assuming Statement

(PLEASE ANSWER ALL QUESTIONS. WHEN NO FIGURES ARE NEEDED, WRITE WORD "NONE")

ASSETS	Dollars	Cents	LIABILITIES	Dollars	Cents
Cash in Bank	\$		Accounts Payable	\$	
Cash on Hand			(For Merchandise)		
Accounts Receivable			Notes and Acceptances Payable		
(Amounts Pending 1. _____)			(For Merchandise)		
Notes and Trade Acceptances Receivable			For Borrowed Money		
(Amounts Pending 2. _____)			Notes Payable—Secured		
Merchandise Inventory			Notes Payable—Unsecured		
(Not on Consignment or Conditional Sale)			Interest Taxes Payable or Owing		
(Amounts Pending 3. _____)			Other Taxes, including Sales Tax, Owing		
Other Current Assets (Describe) _____			Rental, Payroll, etc., Owing		
			Other Current Liabilities (Describe) _____		
TOTAL CURRENT ASSETS			TOTAL CURRENT LIABILITIES		
Land and Buildings (Depreciated Value)			Mortgage on Land and Buildings		
Household Improvements (Amortized Value)			Chattel Mortgage on Merchandise or Equipment		
Machinery, Fixtures and Equipment (Depreciated Value)			Other Liabilities, Unsecured		
Due from Others — Not Customers			Other Liabilities Secured (Describe) _____		
Other Assets (Describe) _____					
TOTAL ASSETS	\$		TOTAL LIABILITIES	\$	
			Net Worth or { Capital (less) \$ _____ } Surplus \$ _____ }	\$	

STATEMENT OF PROFIT AND LOSS FOR PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

NET SALES FOR PERIOD	\$	DETAILS OF OPERATING EXPENSES:	\$
Cash \$ _____		Salaries - Officers (or owners) _____	
Credit \$ _____		Salaries - Employees _____	
		Rent, Heat, Light _____	
Inventory at start of Period \$ _____		(Include Amortization of Leasehold) _____	
Purchases for Period \$ _____		Advertising _____	
TOTAL \$ _____		Delivery _____	
Less: Inventory at Close of Period \$ _____		Insurance _____	
		Taxes, including Sales Taxes _____	
COST OF GOODS SOLD		Depreciation (Furniture, Trucks, etc.) _____	
GROSS PROFIT		Miscellaneous (Other Operating Expenses) _____	
Less: Operating Expenses _____		TOTAL OPERATING EXPENSE	\$ _____
NET OPERATING PROFIT		SUPPLEMENTAL INFORMATION (DETAILED)	
Other Additions and Deductions (net) _____		If Incorporated, Amount of Dividends Paid \$ _____	
NET PROFIT BEFORE FEDERAL INCOME TAXES		Interest Paid (Expenses) _____	
Less: Federal Income Taxes _____		Cash Dividend Received (Income) _____	
NET PROFIT AFTER TAXES			

Fire Insurance Carried on Merchandise \_\_\_\_\_ On Furniture and Fixtures \_\_\_\_\_ On Buildings \_\_\_\_\_

Liability Insurance Carried on Premises \_\_\_\_\_ On Auto and Truck \_\_\_\_\_ Other Insurance (Type and Am't) \_\_\_\_\_

Name of Sale \_\_\_\_\_

Title to Business Premises is in the name of \_\_\_\_\_

If Premises leased state Annual Rental \$ \_\_\_\_\_ Lease Expire \_\_\_\_\_

The foregoing statement [both sides] has been carefully read by the undersigned [both the principal and witness material] and is, to my knowledge, is all respects complete, accurate, and typified. It discloses to the true state of [our] [my] financial condition on the date indicated. Since that time there has been no material unfavorable change in [our] [my] financial condition other than indicated below under "Remarks." The figures submitted are not estimated. They have been taken from [our] [my] books.

(We) (I) make the foregoing financial statement in writing intending that you should rely upon it for the purpose of our obtaining merchandise from you on credit.

Name of Individual or Firm \_\_\_\_\_

If Partnership, name partners \_\_\_\_\_

If Corporation, name officers \_\_\_\_\_

How long established \_\_\_\_\_

Previous business experience \_\_\_\_\_

etc.

Date of signing Statement \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Witness \_\_\_\_\_

Signed by \_\_\_\_\_

Residence Address

Title \_\_\_\_\_

of Witness \_\_\_\_\_

\_\_\_\_\_  
REMARKS: (Attach separate sheet if necessary)

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